RECORDS OF THE PROGRESS OF THEORETICAL MANOEUVERS FOR TOTAL WAR NO. 1

(Secret)

To be perused by

: X

Director of the Institute The Secretary The Staff/

pp 1-3 TFE THIRD PERIOD (August, Showa 16 /1941/)

- I. The measures taken by the Government of "Blue Country" during the period were as follows:-
 - 1. Decided by the Cabinet.
 - (1) To take measures for delaying A's conciliatory proposal to N.
 - (2) To reply to D's request to the new Cabinet of Blue Country for manifestation of its attitude towards D by saying that as long as D observes the N-D Treaty, N will make no positive attack on D.
 - (3) To plan the strengthening of political and military collaboration with T.
 - (4) To leave things as they are regarding X.
 - (5) To strengthen t'e purpose of joint defense regarding F.
 - (6) To prevent further deterioration in present conditions regarding E and to continue economic negotiations.
 - (7) To accelerate imports from A, B, E and L in view of the prospect of their cessation.
 - (8) To provide extraordinary postal regulations by emergency Imperial decree for the opening, censoring and confiscation of mails.

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- (9) To expand and alter cormodity mobilization plan by 50%.
- (10) To take appropriate measures for the regulation of food consumption; maintenance of import trade; increased production and the ration system (Rice 2.1 "go" per day and a composite ration-ticket system, etc.).
- (11) To set up a revised capital mobilization plan with an ¥800,000,000 reduction in administrative expenses.
- II. The following measures were reported in the Cabinet council:-
 - (1) Telegraphic instructions were sent to the Ambassador to A to sound A's true intentions and the possibility of a concession Foreign Minister.
 - (2) Measures to increase shipping and crews and plans for marine transportation Communications Minister.
 - (3) leasures to cope with the shortage of 300,000 labourers. Welfare Minister.
 - (4) Various measures regarding the freezing of funds and measures for industrial funds - Finance Minister.
 - (5) Measures for overland transportation:

(Passenger and freight - through Korea and Manchukuo) - Railway Minister.

The Fourth Period (September, Showa 16 /1941/)

- pp. Measures taken during this period were as follows:
 - I. Decided by the Cabinet:-
 - (1) To reply that we shall not deviate from our policy of abiding by the Treaty of Alliance in answer to X's request that N s'ould irrediately participate in the war against A.
 - (2) To establish our position gradually regarding T.

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- (3) To continue our usual policy regarding A and D.
- (4) To obtain as much materials from A, B, E and L as the situation permits.
- (5) To maintain strict control against the internal spread of false rumors, and to give the people a more thorough knowledge of the present situation.
- (6) To place small-type transportation and freight trucks under government control as a measure for small scale transportation in special areas.
- (7) To set up a Shipping Eoard and to place all private shipping under government control.
- (8) To adjust and reorganize the medium and smallscale tradesmen and manufacturers, and thereby
 prevent the confusion arising from the reduction
 of the volume of civilian goods, as well as to
 redistribute labour to lines urgently needed in
 the emergency.
- (9) To enact an Imperial ordinance for fixing official prices of stares.

II. Matters reported at the Cabinet Meeting:-

- Measures for securing a propagandizing comnunication network for coping with wartime emergencies.
- (2) Peasures concerning the leakage of secrets.
- (3) Measures in the educational field for establishing a thought guidance system, exalting the morale of educators, and perfecting the labour mobilization system of students.
- (4) Food policy.
 - (i) Importation of 10,000,000 koku /TN. 49,629,000 bushels/ of foreign rice.
 - (ii) Enforcement of a composite ration-ticket system.
 - (iii) Establishment of a self-sufficient food supply bloc.

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Doc. 2228

- (5) Leasures for dealing with the unsatisfactory importation of Korean rice.
- (6) Plan for promoting t'e subscription of Government bonds and for naintaining their market prices.
- (7) Counter-measures for the unemployment of medium and small-scale tradesmen and manufacturers in the overseas.
- (8) Civilian aviation policy.
- (9) Plan for the distribution of ocean vessels.
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The Fifth Period (October, Shows 16 /1941/)

- 7-8
 1. It was decided that E shall be occupied by force, and immediate all-out preparations for war shall be launched in anticipation of a war against A, B and E; and that the Supreme Command shall be consulted at once, and be informed that we hope to apply force three months hence. Various measures were discussed and decided upon, regarding the Cabinet Council's decisions on the 15th October for the invasion of E.
 - Emergency air defense measures to neet the international situation were decided upon and an estimation was made as to how far X would cooperate with N in the event of Blueland participating in the war against A, etc.
 - 3. The Government's answer to the request letely submitted to the Government by the Supreme Command asking for the Government's concrete views regarding our precise capacity for waging war against A, B and C, was discussed and decided.
 - 4. A second committee consisting of the vice ministers of the various ministries concerned was established, for the preparation and proliminary study of measures necessary for starting hostilities against A and B.
 - 5. Reports were received from the various Himisters about matters under their jurisdiction, the most important questions brought up being as follows:-
 - (1) Food measures to cope with the decrease of rice and other cereals.

Popo : Doc. No. 2228 Stock market measures to cope with the depreciation of stares. Leasures for the disposal of savings in local banks. Measures for the cossation of trade with A. L. (4) E, and B. Measures for psychological warfare to conceal our intentions of inveding E. The Sixth Period (November, Shows 16 /1941/) pp. 9-11 It was decided to reply that the Government is in complete agreement with the Supreme Cornand in their request for maximum speed in the execution of the actions pre-arranged against E and to that and will hold a joint conference where it hopes for Cabinet decisions. Decision was reached on the questions to be discussed in the said lizison conference, of which the most important were: (1) Date and time of the armed invasion, (2) Purpose and form of the expedition, (3) and diplomatic policies at the time. In view of the situation during the middle and latter perts of November, it was decided that, while making up our mind to open forestalling hostilities against A and B at a good opportunity as soon as preparations are completed, diplomatic negotiations shall be continued percefully with them. 4. The Government decided on a petition to the Emperor to convoke an extraordinary session of the Imperial Diet immediately after the invasion of E, and on the bills to be introduced into the Diet, the more important of which are as follows: -China Affair Erergency War Expenditure Special Account Budget Bill. Tax Increase Bill. Wartime Finance Corporation Bill. State Hanagement of Shipping Bill. PURL: http://www.legal-tools.org/doc/020fab/

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Doc. No. 2228

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Page 6

Cooperative Forming Bill.

Revision of the Railway Business Law.

Special Criminal Procedure in Wartine Emergency Bill.

Wartime People's Life Mrintenance Bill

5. The important items decided by or reported to the Cabinet Council ero as follows:-

Decisions on: -

- (1) Draft reply to D's proposal to N of November 10.
- (2) Request for the closing of A and B's consulates in N.
- (3) Measures for coping with any deficiencies in our internal police strength.
- (4) Concerning the enforcement of a clothes rationing system.

Reports on: -

- (1) Plans for dealing with the complexities of the labour situation.
- (2) Plans for an increase in shipping.
- (3) Food plans
- (4) Plans for internal and external psychological verfare.

The Seventh Period (December, Shown 16 /1941/)

- pp. 12-13 1. Cabinet decisions were mainly as follows:-
 - (1) To make increased efforts in preparations for war against A and B, and endeavour to achieve speedy results from our invesion of E.

(The above decision was introduced for consideration in the joint council with the Supreme Cormand, and it was decided to wage war on A due to considerations of strategy. This decision received Imperial sanction.)

(2) To file a strong protest against the unlowful sinking of our warships by A.

- (3) To file a protest against A's declaration of a neutral sea zone in the Far Last.
- (4) To file a protest against A's oppression of the Japanese nationals in A.
- (5) To inform third powers that we have started hostilities against E.
- (6) To sign a secret anti-war pact with D.
- (7) To make it our policy to keep the L countries neutral.
- (8) To take, upon declaration of war on A and B, the direct measures reported by the Second Committee.
- (9) The following food measures were decided:-
 - (1) Basic consumption of rice and cereals:1.9 "go" per day.
 - (2) To expedite the import of foreign rice and rice from outside Japan.
- (10) To place the whole country under martial law.
- (11) To make sure of our plans for reilway transportation at the time war is declared.
- (12) Diet Measures.
 - (1) To carry out a general election.
 - (2) Measures to shorten the period of adjournment.
- 2. Plans for psychological warfare at the beginning of the war, and other important measures were reported in the Cabinet Council.

The Eighth Period (January-March, Showa 17 /1942/)

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(2) To file a strong protest against the unlowful sinking of our warships by h.

- (3) To file a protest against A's declaration of a neutral sea zone in the Far last.
- (4) To file a protest against L's oppression of the Japanese nationals in L.
- (5) To inform third powers that we have started hostilities against E.
- (6) To sign a secret anti-war pact with D.
- (7) To make it our policy to keep the L countries neutral.
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pp. 14-16 1. It was arranged, following consultation with the Supreme

Cornend, to sound T as to the possibilities of utilizing her for military purposes, short of turning her into an actual battlefield.

- 2. Transportation of war supplies from 1 to D by D's ships will not be interfered with, but trade between L and D through neutral ships will be discouraged as much as possible by the establishment of danger zones and by application of the principle of non-stop voyages for wartine contraband.
- 3. Bills to be submitted to the regular session of the Diet were considered and it was decided that the term of session should be one month.

The most important of the bills introduced into the Diet were as follows:

General budget for the fiscal year 1942.

Supplementary bills to the Special Budget for Extraordinary Military Appropriations for the China Incident.

Bill for the revision of the regulations of the Bank of Japan.

A bill for the reduction or exemption of taxes in afflicted areas.

A bill for banking organizations.

Bills for taxes and bonds.

- A bill for government airraid insurance.
- A bill for corporations to utilize wartime installations.
- A bill for corporations for wartime control of resources.
- A bill for revision of the telegraph and postal regula-
- A bill concerning special wartime crimes and punishments.
- A bill for special civil case procedures for wartine emergency conditions.

A bill for the enforcement of conscription in Korea.

1. bill for the incorporation of schools.

- 4. The proposals of the First Cormittee were listened to and studied conserving a valuation of the economic importance as a whole of E, and the general course of action for administration of the occupied territories.
- 5. Reports were received on the damage sustained in the air raids on Tokyo, estimated at 32,000 houses burnt down and a cotal of 172,000 victims, and on the countermeasures to be taken by the various ministers for matters under their respective jurisdiction.

The Ninth Period (April-October, 1942)

pp. The matters decided upon by the Cabinet council during 17-18 the period were mainly as follows:-

- To enter a strong protest with D for having supplied A with bases and at the same time to suspend forthwith the facilities given D and make proparations for war against D.
- 2. To reply to X's request for Fostilities by us against D by saying that X must be satisfied for the present with the blockade we now intend to carry out, and to request X in return to engage energetically in the destruction of A's shipping. (These were the measures to be taken during April and May.)
- 3. To vanquish all the difficulties of the present situation and carry out the Manchurian emigration policy, as already planned.
- 4. Things being what they were in July, the Cabinet did not reach agreement on whether or not we should open hostilities against D, due to the strong convictions voiced that the military supplies required by the Supreme Command (Revision of the commodity mobilization plan by 100% expansion) beyond the nation's capacity.
- Conference was held regarding the proposed plan for strengthening the Cabinet, but no conclusion was reached.

6. Offensive measures for economic warfare against A and B were reported by the Finance Linister.

p.19 Records of the Progress of Diplomatic Warfere
In the Treoretical Maneuvers for Total War No. 1

August 23, 1941

Akira CFIBA, Foreign Minister

The General Outline of the Progress Akira CFIRA, Foreign Minister

pp. The Third Period (August 1941) 20-21

In conformity with the decisions of the conference held in the Imperial presence on 10 August, our diplomatic policies during this period were simed chiefly at preparations for our advance into the Southern Regions while at the same time maintaining the status quo between N and X and avoiding conflict with A and D by the following line of action:-

- (I) We avoided making any definite reply to Λ 's suggestion of 10 August to neutralize the alliance between N and X in view of the fact that ultimately the national policies of N and Λ were irreconcilable and we did our best to delay a clash with Λ by following a neutral policy.
- (2) We endeavoured to promote friendly relations with D by settling trade and fishing problems with her. We invoked the treaty of neutrality existing between N and D and thus endeavoured to check A-D collaboration aimed against N.
- (3) We sounded T on her inclination to cooperate politically and militarily with N and also endeavoured to strengthen economic cooperation with T. Finding T faced with numerous internal political difficulties, we concentrated the greater part of our efforts on the latter objective and obtained considerable success during this period as well as the next.
- (4) We endeavoured to obtain as much materials as possible from E, A, B and L, but without much success due to various obstacles during the next and subsequent periods.

Page 11

pp. The Fourth Period (September)

During this period, we followed the some policy es we had in the previous one.

- (1) X decided to open hostilities against A due to A is effensive, and requested us to do so simultaneously. We answered that though relations between N and X remained the same. N found it inconvenient to open hostilities just at present. A began to try to make peace again with B, but we pointed out that as there was little possibility of success in it we hoped she would rather intensify her war against B and also proposed joint N-X operations in case of war against A.
- (2) Lasked N for the expression of N's attitude. We told A that we were concerned with the maintenance of peace in the Pacific and tried to make A believe that our determination to observe the treaty between N and X was unchanged.
- (3) In view of the impending war between A and X, the Foreign Minister demanded of the Government that they implement their resolution to observe the treaty between N and X and effect incediate completion of armements and all military preparations for war against A and B.

The Fifth Period (October)

22-23

- N's ships; B, E and L followed suit. Economic negotiations with E came to a stop. On the 15th at a cabinet council, it was decided that we would march into 1 at a favourable opportunity on or after 1 December. Accordingly, our diplomacy during this period was as follows:-
 - (1) X again requested us to open wer on L at once, to which we enswered that our resolution to abide by the treaty was unchanged and that we would seen be invading L. We notified X of the assistance we expected from her in case N pushed southward or declared war against A.
 - (2) We avoided provoking A and confined ourselves to a protest against A's internment of our ships, without resorting to retaliatory measures. We also lodged similar protests against the

Page 12

interment of our ships by B and L.

(3) We warned E against the internment of our ships and the saizure of our goods. The Government still entertained some hopes of peaceful settlement in spite of the decision of the Cabinet Council on the 15th, and decided to reopen economic negotiations but could not reach an agreement with the Supreme Command Meadquarters as to the nethods by which the negotiations should be carried on. The Government, therefore, had no alternative but to notify its envoy in E. (The Foreign Minister proposed sending an ultimetum just before we resorted to armed force, but the Supreme Command Meadquarters objected to this by arguing the necessity of concealing our intentions.)

The Sixth Period (November)

pp. 23-25

In response to A's declaration of war on X and strengthening of its position against N in the early part of this period, it was decided to carry out our plans at an earlier date and start operations against E on the 15th of this month.

- (1) We irrediately lodged with E our minimum economic requirements and opened negotiations, but E refused our requests. On the 15th we started operations against E.
- (2) Just before the invesion of the 15th, we asked X for assistance from the rear by intensifying her operations against D.
- (3) Immediately following our invasion on the 15th, we notified A and B of the objective of our advance and of the necessity of our taking countermeasures if we were interfered with. A and B declared a severance of economic relations with N and demanded the withdrawal of our consulate personnel. They also detailed their forces in preparation against us. So the War, Navy and Forcign Ministers urged the Government to take the initiative in starting hostilities against A and B, but the Government could not yet bring itself to this decision.

Page 13 Dec. No. 2228 (4) We only depended the closing of the consulates of A and B. (5) During the middle part of this menth D demanded that we guarantee the territorial integrity and importation of goods from third countries. We began negotiations for the guarantee on the condition that I was not put to military use by A. The Seventh Period (December) pn. 26 It was while our operations against E were progressing favourably that A on the 1st unlawfully declared a neutral mone in the seas off P, thus impeding our operations, and on the 5th unlawfully sank our transports. We again urged the Government to make a decision and with the understanding of the Government we took the following actions: (1) We lodged a strong protest with A against her unlawful actions. Then on the 10th the Cabinet Council decided to start hostilities against A. On the 20th, we began attacking the strategic point of P. A and B declared war on us. (2) We took the necessary steps both internally and for third countries regarding A and B's declaration of war. (3) We proposed to X the issuing of a joint declaration on the objectives of the war, to which X agreed; and we issued it. And at the same time N and X concluded a non-single-peace treaty. (4) In response to E's declaration of war at the beginning of this month, we started hostilities against her. At the beginning of this month, we requested D to sign a secret anti-war pact. This was signed at the end of the month. The Eighth Period (Jan. - Merch, 1942) pp. 26-27 (1) A request was nade by the Supreme Cormand Feadquarters regarding cooperation with T. Accordingly, as the result of a join's conference with the Supreme Command Feedquarters, the Government decided to sound T on her intentions. PURL: http://www.legal-tools.org/doc/020fab/ In February we were in the middle of this when B inveded T, which gave us the opportunity for concluding a joint-defence agreement between M and T. N and T were to jointly oppose A and B and E was offered facilities for her troops to pass through T.

- (2) There was some suspicion that D was connected with A, so we tarned D in order to check her. On the other hand, in respect to D's request for a guarantee in obtaining goods from A, we decided to accord to D facilities for her vessels to pass through the below-mentioned danger zones and enderwoured to observe the secret treaty. In March D asked our assistance in obtaining goods from C, F, T, P and Q, but we refused for operational reasons.
- (3) There were signs of an increase in trade between A and D by means of L's ships; our nevy declared a danger zone in our neighboring seas and took measures to make it physically impossible for neutral ships to get through. All of the L countries, except A, B and C, demanded the withdrawal of our diplomats and we retaliated by severing relations with them.

The Minth Period (Apr.-July, 1942)

- (1) A's attack upon us by sircraft and submarines increasingly despend our suspicions of an understanding between A and D, so we suspended sortine in May the facilities for D's ships to pass through the danger zone and lodged a strong protest with D for violating the secret anti-war treaty.
- (2) To K's request that we start restilities against D, we asked her to be satisfied with our intensified operations against L and B and the pressure we were exerting upon D.
- (3) As it became certain in July that I was making use of R, the Foreign Finister urged the Government to take a strong attitude towards D. The Government, however, reached no decision on counter measures. Our diplomatic measures were to be considered as soon as the Government's decision was made.

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PP. 27-28 Dec. No. 2228 Page 15.

THE RECORD OF THEOPETICAL MANEUVERS FOR TOTAL WAR No. 1

(Confidential Documents)

By: Preudo War Ministry

Date: Ataust 1941

p.30-32

Record of Manouvers

By Minister SHIRAI MasataVsu (the War Ministry)

Vice Minister CKAMURA Shun (the 'ar Ministry)

The Third period of maneuvers (August)

1. Measures against a:

Against A's proposal of August 10th, the Minister firmly insisted at the Five Ministers' Conference, that "we should not garee to it, but should push sheed independently with the preparations for advence into E." But in view of the demand from the Supreme Command Headquarters that "they desire to secure materials from A. L., etc., as much as possible," the Conference adopted a temporizing policy for the negotiations with A.

2. Internal measures.

In view of the fact that the country's internal affairs had at last become very complicated, what with the military and industrial mobilizations, the Minister requested the other Ministers to make efforts to exterminate these obstacles by adopting the principle of military priority at this time of emergency.

3. Revised commadity mobilization plan and the estimation of fighting capacity.

After being informed by the Styreme Command Headquarters of the scale of war against A. B. and E, we were asked our opinion of our war prosecution capacity. After conferring for hwith with the Planning Board and others we worked out a revised plan for commodity mobilizati n. This we referred to the Supreme Command Headquarters and obtained its agreement along the line of the government plan. The estimate of our war prosecution capacity, we did our best to complete in comporation with the Planning Board. (This estimate was presented to the Supreme Command in the fourth period after approval by the Cabinet Council.)

Dec. No. 2228 Pege 15.

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Doc. Mr. 2228 Page 16

4. The expansion of the productive power of munitions factories.

In accordance with what we had planned, we notified the factories concerned of our expansion goal.

5. Conscription of civilians.

Necessary personnel for munitions factories according to our plan was conscripted.

6. The First Committee Meeting.

The First Committee meeting was held and decided the fundamental policy for the handling of occupied territories.

p.33-

The fourth period of maneuvers (September)

1. External measures.

In view of the international situation, we presented to the Cabinet Council our considered opinion that, "Blue Country should continue to expedite her preparations for southward advance, while securing her position on the side of X." As this opinion was generally in accord with the proposal made by the Foreign Minister, we further expressed our desire to know the real intentions of X's peace offensive against B.

2. Pushing shead with the revised commodity mobilization.

In view of the unsatisfactory progress in the shift to the revised commodity mobilization, we not only promoted its enforcement inside our own department, but also called the attention of other Ministries to this point by expressing our opinion in the Cabinet Council.

3. The strengthening of the Cabinet's powers of central.

Believing that, in view of the acute situation, it was urgently necessary to strengthen the Cabinet's powers of control, we presented our opinion to the Cabinet Council and obtained the approval of other Ministers with regard to the putting into operation of article 2 of Imperial Ordinance No. 673 (of 1939) and other matters.

4. The readjustment of civil eviation.

After conferring with the ministers of the Nevy and of Communications, we adopted a readjustment plan for civil aviation. In view of the shortage of fuels, the plan called for the abolition of all air routes, except those connecting N with the continent and the Southern Region, though the training of crews was to be continued on the present scale. The plan was approved by the Cabinet Council.

Doc. Mr. 2228

Page 16

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In view of the international situation, we presented to the Cabinet Council our considered opinion that, "Blue Country should continue to expedite her preparations for southward advance, while securing her position on the side of X." As this opinion was generally in accord with the proposal made by the Foreign Minister, we further expressed our desire to know the real intentions of X's peace offensive against B.

2. Pushing shead with the revised commodity mobilization.

In view of the unsatisfactory progress in the shift to the revised commodity mobilization, we not only promoted its enforcement inside our own department, but also called the attention of other Ministries to this point by expressing our opinion in the Cabinet Council.

3. The strengthening of the Cabinet's powers of control.

Believing that, in view of the acute situation, it was urgently necessary to strongthen the Cabinet's powers of control, we presented our opinion to the Cabinet Council and obtained the approval of other Ministers with regard to the putting into operation of article 2 of Imperial Ordinance No. 673 (of 1939) and other matters.

4. The readjustment of civil eviction.

After conferring with the ministers of the Navy and of Communications, we adopted a readjustment plan for civil aviation. In view of the shortage of fuels, the plan called for the abolition of all air routes, except those connecting N with the continent and the Southern Region, though the training of crews was to be continued on the present scale. The plan was approved by the Cabinet Council.

Doc. No. 2228 Pere 17

5. Psychological warfare against C.

Taking advantage of the enti-war sentiments in C, we issued orders to all concerned to intensify psychological warfare against C.

6. External measures based on newly reported conditions.

We proposed to the Cabinet Council that "Blue Country' should make up her mind that wer against A and B was inevitable, and to promptly complete all preparations for it," but the Cabinet Council decided that its policy would remain unchanged.

0.25-37

The fifth period of meneuvers (October)

1. External measures.

In view of the international situation, the Minister firmly insisted in the Cabinet Council, that "Blue Country" must promptly complete all her preparations against A and B, and carry through her economic demands against E by intensified pressure." He also urged emphatically that it was time for "Blue Country" to adopt concrete measures for advancing into E (anticipated to take place about one month later). However, since some thought a date some three months later would be more appropriate, no decision was reached even by midnight. The Cabinet went to the Liaison Conference armed with both proposals, where they decided on a measure for planning for armed advance into E by grasping a good opportunity any time after 1 December."

2. C's request for the purchase of munitions.

It was proposed and approved by the Cabinet Council that with reference to C's request for the purchase of munitions "though not complying with the request in substance, we will manifest our earnest desire to help her, and not give a definite refusal to her request until after our advance into the South."

- 3. Air defense.
- (1) The Home Minister proposed among others, "an urgent Imperial Ordinance for the Enforcement of Air Defense," to which we agreed.
- (2) We proposed to the Cabinet Council that preparations be made for enforcing martial law in order to strengthen air defense. Since the Home Minister disagreed, it was decided to negotiate with him on this matter.
- 4. External measures to cope with additional conditions.
- the expressed our opinion at the Cabinet Council that with reference

Page 18

negotiations with E and if she did not comply with our demands by the time December arrives, we should surprise her with an armed advance." The Cabinet Council, however, feiled to come to an agreement of opinion on the question of whether or not in our plans for diplomatic negotiations we should take an attitude tantamount to an ultimatum.

5. The convocation of the Diet.

As recards the convocation of the Diet, there were proposels for convening it in December, but as the Supreme Command Headquarters asked for its postponement in order to keep its plans secret, we agreed to it and proposed the postponement to the Cabinet Council. However, no conclusion was reached.

6. The cooperation of X with N.

The Supreme Command Headquarters asked us our estimate of the degree of cooperation which X would extend to N in case the latter declared war against A. The Minister, as the minister in charge, made the estimate required, and notified the Supreme Command Headquarters of it via the Cabinet Council.

9.38-

The sixth period of maneuvers (November)

1. External measures.

In this period, it became clear that the Supreme Command Headquarters "scarcely expected the acceptance of our demands by E prior to our armed advance into E and hoped the date of the advance would be speeded up."

Thus, the question of whether or not to adopt a step tantamount to an ultimatum, and the question of the convocation of the Diet which had been pending since the last period, were settled.

2. Mertial law.

We proposed egain to the Cabinet Council the proclamation of martial law, and it was unanimously decided that "the necessary preparations shall be begun immediately, and the time for its announcement shall be fixed after the beginning of war against A and B."

3. Internal labour conditions.

In view of the shortege of internal labour, we made a thorough application of the principle of military priority, and at the same time released essential technicians from military service.

Doc. No. 2228 Page 19

... Internal control.

In view of the lack of sagacity for control, we took necessary measures for cooperation, and reported the matter to the Cabinet Council.

5. External measures to cope with additional conditions.

Though we strongly insisted in the Cabinet Council that "Blue Country" should make up her mind to start var against A and B in the middle part of December, the Cabinet Council decided that "our preparations should be continued, but that a last effort should be made to avoid or postpone the opening of hostilities."

6. Anti-air defense order.

We proposed to the Supreme Command Headquarters that the air defense order should be issued early in December.

09.40-42

The seventh period of meneuvers (December)

1. External measures.

After explaining that the war against E was progressing, that the war against A was inevitable, and that both internal and external conditions of "Blue Country" were supremely favorable for the immediate opening of hostilities against A, we strongly urged that "'Blue Country' should suddenly open hostilities against A in the middle part of December"and first of all swiftly capture P. But as some again proposed a more cautious attitude towards A, the Council was completely divided in opinion. As time was pressing, the Cabinet adopted the Premier's arguments for circumspection, but at the Liaison Conference which it attended, thanks to the strong demands of the Supreme Command Headquarters, it decided to start war against A (B).

2. Gubernatorial conference.

The prefectural governors' conference was held in early December, at which we expressed our opinions on cooperation between the military and civil.

3. Martial law.

After the start of war against A and B, FORMOSA and KYUSHU districts were raided several times by enemy air forces, and it

Doc. No. 2228 Page 19

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42

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3. Martial law.

After the start of war against A and B, FORMOSA and KYUSHU districts were raided several times by enemy air forces, and it

Page 20.

was anticipated that the whole country would be subject to air raids. We therefore proposed in the Cabinet Council the enforcement of martial law throughout the country as the chief means of ensuring air defense. After obtaining the consent of the Cabinet Ministers, we notified the Supreme Command Headquerters.

4. Measures for the Diet.

The bill for the enforcement of conscription law in KOREA was passed by the Cabinet Council, and submitted to the regular session of the Diet.

5. Relations with X.

In view of the extreme intimacy into which the relations between N and X have been brought by N's participation in the war against A and B, we proposed that we should again open negotiations with X in regard to future cooperation. The proposal was approved by the Cabinet Council.

6. The import of F and T rice.

At the request of the Acricultural and Forestry Ministry and the Communications Ministry, we requested the Supreme Command Headquarters for their assistance in the purchase and transportation of F and T rice.

7. Strengthening of the Cabinet.

National administration needs to be carried out with the maximum of speed and vigour now that the war had been started against A and B, but in fact the Cabinet was always divided in opinion, thereby rendering the present cabinet togetherent to meet the emergency. We therefore expressed our belief in the need of a wholesale resignation by the present cabinet to allow the emergence of another and more powerful with its endeavors for a united front in national administration without resorting to wholesale resignation. At the Cabinet Meeting, the War Minister was also dissuaded from resigning.

0.43-

The eighth period of maneuvers (January-Merch)

1. External measures.

At the demand of the Supreme Command Headquerters regarding T, we proposed in the Cabinet Council an immediate occupation of T. But most of the Ministers opposed the proposal, emphasizing the disadventers to us if the war extended to T, and as it was felt that the demands of the Supreme Command Headquarters were not backed up by conditions

Doc. No. 2238 Page 21.

of sufficient urgency, the Cabinet Council decided first of all to sound T's real intentions.

2. Anti-air-raid measures.

We reported to the Cabinet Council on the facts of the air raid of 25 January. At the same time, regarding the treatment of shot-down crew, we maintained that we should treat them differently from ordinary prisoners of war, and make this treatment contribute to the prevention of airraids by using it in psychological warfare. But some opposed it from the viewpoint of psychological warfare. So it was decided that, in any subsequent repetition of the incident, we should take propaganda measures on the lines of the suggestion.

3. Internal psychological warfare.

We requested those concerned to pay attention to the fact that, although all our military preparations were progressing favourably, the war situation did not yet, of course, warrant optimism for the future and that, in view of the national character of the Japanese neople, which was lacking in high tension endurance, we needed take some adequate steps to bolster national morale.

pp. 45-

The ninth period of meneuvers (April - October)

1. External measures.

In view of the fact that the damage caused by A's air forces and submarines, whose base was certainly R, was steadily increasing, the Minister maintained in the Cabinet Council that "Blue Country while continuing its hostilities against A and B, should step up its preparations for war against D and adopt a strong minded attitude in ensuring the fulfilment of the secret agreement, in particular, we should promptly put an end to imports by D's ships, and at the same time notify D that, if we secure positive proof that D is permitting A to use its bases, we will attack these bases." The Council agreed in general to the proposal, but it was decided about the notification that, at a time when a decisive battle against A was imminent, we should avoid provoking D by what we could not put into practice.

2. The further stepping up of general mobilization.

We gave orders to those concerned to step up still more general mobilization in preparation for a war against D.

3. The disposition of the materials seized in E.

On this subject, we reported the things required to the Supreme Command Headquarters, after conferring with the ministries concerned

Page 22.

with economic affairs.

4. Estimation of our capacity for maintaining war against D.

After being notified by the Supreme Command Headquarters of the scale of the military operations against D, we gave the information principally to the Planning Board and, with its cooperation, succeeded in making the estimation.

5. Diplomatic measures to cope with additional conditions.

In spite of the great victory in the navel battle between the main forces of N and A, A's attacks from R became increasingly fierce. On the other hand, X was overwhelmingly successful in its war against D. In view of the above facts, the Minister proposed in the Cabinet Council the following plan: "According to the estimation of our national strength, we are not fully confident of success against D even if we speed up the preparations for war against D which will involve the very destiny of our country. So we should make efforts to drive away A from R by separating D from and B through reconciliation between D and X." But no conclusion

is reached owing to difference of opinion among the Cabinet Ministers over our war prosecution capacity. Thereupon, the Minister, after conferring again with the Supreme Command Head-quarters, came to the conclusion that this was a literally unprecedented opportunity for JAPAN and that we could obtain further material for military purposes if we took proportionately unprecedented measures. So he brought up the matter once more in the Cabinet Council and strongly urged the Planning Board to reconsider things, but all doubts were not dispelled. Finally, as the result of a Liaison Conference, a decision was reached to start war against D by adopting Plan B for general mobilization and a reconsideration of our operational plans.

Pege 23.

p. 48

THEORETICAL MANEUVERS FOR TOTAL WAR No. 1

Report on the Development of Psychological Warfare

(Confidential document)

Submitted on August 23rd, 1941.

Minister of State and Vice President of the Imperial Rule Assistance Association.

HARA, Taneyuki

The Third period

We submitted to the Government of Blue Country "Measures for raising national morale to meet the emergency" in the middle part of August, 1941.

pp.48-

The Fourth period.

We submitted to the Government of Blue Country in the latter part of September "The Counter-Measures of the Imperial Rule Assistance Association for Conditions in the Early, Middle and the Latter Parts of September."

The Fifth period.

1. Toward the end of September, 1941, we proposed to the Government of Blue Country the establishment of a Board of Technology in view of the urgent situation.

Toward the end of October, 1941, we presented to the Government "The I.R.A.A.'s Situation Report on the Tendencies of Public Sentiment," and at the same time reported to the Government the gist of the basic counter-measures.

The Sixth period /T.N. - This period is not given in the original/

The Seventh period

1. Toward the end of December, 1941, we planned and settled "The Outline of the I.R.A.A.'s Counter-Measures for Psychological Warfare to meet the needs of a long War," and reported it to the Government of Blue Country.

Page 23.

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Page 24.

p.50

The Eighth period.

1. Towards the end of February, 1942, we presented to the Governor of Blue Country our decision on "The I.R.A.A.'s Outline of Psychological Warfare in the period of air attacks."

The Ninth period.

- 1. In the middle part of July, 19-2, we decided on Psychological Warfare Counter-Measures of the I.R.A.A. in the period of anticipating wer against D and reported them to the Government.
- 1. At the end of October, 1942, we presented "The Measures for all-out war to be Taken by the Government of Blue Country."

- 11,

Page 25.

(Confidential document)

NOMIYAMA, Tsutomu

Minister of Commerce and Industry

Date submitted: August 23rd.

57

Summarized Record of the First Maneuver.

No. 1. Policy for the enforcement of the commodity mobilization plan and the productive power expansion plan.

Although these plans were carried out in accordance with the general policy adopted for the second period, the policy mentioned in the heading was decided in the Cabinet Council in the fifth period, in view of the subsequent developments in the situation.

The substance of this policy was to push through the principle of priority in conformity with the circumstances for both the mobilization of raw materials and the expansion of productive capacity. At the same time, it was intended to effect the readjustment and consolidation of various enterprises, the perfection of the distribution system, the establishment of organs for recovering and collecting materials, and the application of the general mobilization law.

No. 2. Emergency counter-measure for the demand and supply of important materials.

1. Transportation problem.

We maintained close connections with the Communications Ministry and conferred with them in regard to the minimum requirements for wartine transportation and the order of precedence to be given to each class of materials. As the circumstances demanded, we to k such measures as the advencing of the dates of import during the third period by assignment of special shipping in anticipation of the stoppage of imports from A. B. E and L. the increased assignment of ships to SAGHALIEN, HOKKAIDO, NORTH CHINA and CENTRAL CHINA (coal and iron ore) in the fourth period, and the transportation of coal from KYUSHU by mobilized diesel sailing boats at the time of scarcity of coal in HONSHU and SHIKOKU in the seventh period.

2. Labour problem.

In collaboration with the Welfare Ministry, we requested the increase

Doc. No. 2228 Page 26

in the number of technicians and labourers, especially the assignment of the right man in the right places. We also requested the Agriculture and Forestry Ministry to pay special consideration to the distribution of food. The Commerce and Industry Ministry strengthened methods to increase working efficiency.

2. Measures to supplement deficient materials.

We intensified the various measures such as the recovery and collection of naturals, the utilization of goods on hand, stendardization, the restriction of consumption, the rationalization of the use of materials, and the development of the substitutes industry.

- No. 3. Measures to prevent confusion in the industrial world.
- 1. Counter-measure for stock prices.

In accordance with the situation in the Fourth Period, we promulgated and enforced an Imperial Ordinance concerning the fixing of stock prices.

2. The problem of unemployment in the middle and small scale commerce and industry.

In view of the increasing seriousness of the unemployment situation in the Fourth Period, we adopted a measure for the adjustment and reorganization of middle and small scale commercial business. That is, we decided the kinds of business which needed readjustment and reorganization, and the extent of such readjustment and reorganization, judging it from the form and scale which the middle and small scale commerce and industry should have within the framework of wartime industries and from the amount of materials which could be allotted to these industries from the standpoint of commodity mobilization. Powerful and appropriate readjustment and reorganization were to be carried out in accordance with this decision.

As to the measures to be taken, the activities of control associations and other civilian organizations were to be intensidied, the functions of the National Employment Offices expanded and strengthened, the functions of the Regeneration Bank stimulated, and the total mobilization law enforced, not to mention the intensification of guidance by the Government. Furthermore, mutual assistance amongst those engaged in the same trade, purchases and loans by the Regeneration Bank, and governmental compensation were to be given as indomnity.

3. The problem of the suspension of trade.

As commercial relations with A, L, B and E were suspended in the Fifth period, the following measures were taken (principally for exporters and industries connected with exports. As temporary measures, steps were taken to promote the smooth flow of funds by

Doc. No. 2228 Page 26

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by means of financial accommodation orders, and at the same time accumulated goods were brought up by designated purchasing agencies. As a general policy for the future, the export industries would be maintained at a capacity capable of supplying domestic and intersphere requirements, as well as of playing an active part in post-war commerce with third countries. However, a certain amount of adjustment would be necessary in view of the present situation. Industries relying on imported materials would be adjusted, except those which were capable of being converted to the use of self-supplying materials.

- 4. Measures against the conversion of funds into stocks, black-marketing, etc. (Sixth Period)
- 1. Distribution of goods was suspended to those who violated control regulations.
- ii. The control organs intensified the supervision of their members' business.
- iii. A composite clothing rationing system was enforced.
- 5. Measures to cope with the growing difficulty in the management of important industries (Seventh period).

We edopted the following measures after considering the various causes of the growing difficulty in management.

- 1. Rationalization of the distribution of raw materials and labour.
- 2. Adjustment and unification of enterprises. Those enterprises which found it difficult to continue management because of the restricted distribution resulting from the measures mentioned in the preceding article, were adjusted and made to change business or be merged in order to overcome the difficulties.
 - 3. Disposal of unmobilized funds and idle equipments.
 - e. These were either transferred or their management entrusted to superior enterprises.
 - b. A special organ was established for purchasing them or making investments in them. However, for the time being, provision was made for extending loans to them, the interest thereon being guaranteed by the Government.

- 4. Rationalization of management.
 - a. Balancod distribution of raw materials, etc.
 - b. Rational use of raw materials, etc.
 - c. Promotion of labour efficiency.
 - d. Improvement of technique (throw them open to the public)
 - e. Promotion of standardization.
- 5. Maintenance of a low price policy for wages, freight, etc.
- 6. Indemnity for price deficiency below the actual production cost.

In the case of those enterprises which encountered production impediments owing to price deficiency below actual production cost, in spite of the measures mentioned in the preceding items, and yet whose production increase was urgently needed the following measures were adopted:

- a. The price of certain goods were adjusted within an appropriate limit, if the raising of price of such goods would have no bad influence upon prices in general.

 (Example: Copper)
- b. In other cases, payment of subsidies and other steps were taken in order to make both ends meet.
 (Example: Coal)
- No. 4. Problems of economic negotiation ith other countries.
- 1. Expectation by Cl. F. T. and I of Commodities from N.

(The fifth period). Goods for private requirements (Fibre goods, pottery, cannot goods, etc.) would be supplied to a certain extent. Consideration would be given to goods for military requirements for our advance into E.

II. Negotiations between D and N.

With regard to the proposal to D made in the sixth period (in the middle part of November), we informed the Minister of Foreign Affairs that N demanded from D oil, mangenese, platinum, santonin, etc., and that N would be able to supply D with tea, raw silk, cement, fishing nets, rubber, tin, quinine, etc., subject to the condition in regard to products of the Southern Regions, that we could obtain them.

As to the proposal to D made in the eight period (at the end of March) we notified the Minister of Foreign Affairs that we could not spare the goods requested by the other party, as we could not obtain enough from the Southern Regions.

III. Negotiations with E.

In the sixth period (in the early part of November) we informed the Minister of Foreign Affairs of the types and quantities of oil, rubber, tin, etc., which composed our minimum requirements from E.

- No. 5. Measures for the acquisition of E resources.
- 1. Fifth period (middle part of October).
 - a. Important points in securing E from the standpoint of economic warfare.
 - b. Investigations and preparations were made in regard to the materials and personnel needed for the restoration of oil fields and refining equipments.
- 2. Seventh period (the latter part of December). We hastily despatched a development party of technicians.
- 3. Eighth period (the latter part of March).

In view of the favorable turn in marine transportation and war operations, we shipped development materials to E. Furthermore, we also made urgent preparations of materials necessary for the reconstruction of the iron mining equipments in the P and Q areas. The confiscated resources in E, P and Q have been gradually shipped and refined.

- No. 6. Bills submitted to the Diet.
- p.57 Eight period (the latter part of December).

We submitted the following bills to the regular session of the Diet:

National Operation of Air-Rai' Insurance Bill Wartime Resources Administration Corporation Bill Wartime Equipments Utilization Corporation Bill

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p.58

THE RECORD OF NAMEUVERS OF THE PLANNING BOARD

Submitted by:

The President of the Planning Board Date Submitted: August 23.

(SECRET)

pp.59-

The Record of Maneuvers of the Planning Board.

The Third period (from the beginning to the end of August, 1941)

- 1. After a complete re-examination of the plan for economic warfare which had been decided in the above-mentioned maneuvers, we re-drafted the mobilization plans for raw materials, capital, labour, and traffic. These were submitted to and adopted by the Cabinet.
- II. To meet the request of the Supreme Command Headquarters, the above-mentioned commodity mobilization plan, which had already been decided in the Cabinet Council, was amended in order to prepare for the war against A, B and E. Following its adoption in the Cabinet Council, this plan was submitted as the Government's plan to the Liaison Conference of the Government and the Supreme Headquarters. With the exception of a part concerning steel products, which was amended, the draft was approved as it stood when submitted.
- III. To prepare for wer against A, B and E, the Cabinet Council requested the following matters to be carried out or prepared for by the Government offices concerned.
 - a. Counter-measures for the urgent and immediate supplementation of materials which were lacking, in accordance with the request of the Supreme Command Headquarters.
 - b. The establishment of a central organ in the Cabinet for the prosecution of economic warfare.
 - c. The financing of the activities especially of our diplomatic offices abroad, in order to promote the special importation of war materials.
- Of the above, item (b) was reserved by the Cabinet Council for a later date.

Doc. No. 2228 Page 31.

IV. We discussed with the Government Offices concerned the enforcement of the following matters which had connection with the Planning Board:

- a. Counter-measures for wartime food, and expansion of food production.
- b. Plan for marine transportation and measures for reinforcing and replenishing our stock of ships and crews.
- c. Plan for labor mobilization to go with the mobilization of early July and later.
- d. Measures for industrial capital and measures for the prevention of disturbances in currencies linked to the yen.
- e. Measures for the settlement of N's international trade accounts and for coping with the stoppage of international finance consequent upon the application to N of the Capital Freezing Act by A and B.
- f. Examination of the economic value of A's proposal to N.
- g. Measures for promoting imports from A, B, E and L.

p.61

The fourth period (From the beginning to the end of September)

As we had been requested by the Supreme Command Headquarters to state our opinion concerning the ability of Elue Country to prosecute war in the event of hostilities with A, B and E under the present situation, we submitted to the Cabinet meeting our judgment on our national strength in respect to national morale, shipping, materials, capital, labour, etc. The Cabinet Meeting adopted this judgment.

- 2. The matters which were discussed with the Government offices concerned were as follows:
 - a. Measures for the changing of business by middle or small scale tradesmen and manufacturers.
 - b. The absorption of government bonds, the maintenance of their market prices, and counter-measures for stocks.
 - c. National management of ships and distribution schedule of ocean-going ships.

Doc. No. 2228 Pecc 32.

00.61-

- 62 The Fifth period (from the beginning to the end of October)
 - 1. Since it was necessary to reinforce war preparations in view of the increasing drift toward war with A, B and E, the commodity mobilization plan was re-examined. Especially in regard to supplying power, examination was made from the following standpoints:
 - (a) The cessation of imports from A, B, E and L.
 - (b) The drop in coastal transportation capacity as the result of the requisitioning of ships.
 - (c) The drop in efficiency of labour and internal transportation capacity.
 - (d) Increased production, collection /of resources/, savings, and also the supplying power of M, C, F and T to Japan.

At the same time we examined military and civilian requirements by periods in order to ensure propriety of planning, and reported our findings to the Cabinet Meeting.

- 2. It was decided at the Cabinet Meeting that thereafter the commodity mobilization plan should be drafted every three months.
- 3. For the purpose of submission to the Supreme Command Headquarters, the Planning Board decided at its conference a plan concerning the securing of certain points in E from the viewpoint of resources and economy in case of war against E. This plan was submitted to and adopted at the Cabinet Meeting. In particular, we estimated the obtainable amount of petroleum and requested the Government offices concerned to speed up the different preparations in regard to materials, personnel, etc., necessary in this connection.
- 4. The principal matters discussed with the Government Offices concerned were as follows:
 - (a) Counter-measures for the stock merket.
 - (b) Counter-measures for the withdrawal of deposits and runs on banks.
 - (c) Financial measures /for the situation/ resulting from the cessation of trade with third countries and counter-measures for the inflationary trend in M.
 - (d) Measures for ocean-going ships and detained ships.

Doc. No. 2228 Page 33.

- (e) Plan for merine transportation after November.
- (f) Plan for enforcing labour mobilization, etc.
- p.63 The sixth period (from the beginning to the end of November)
 - 1. The principal matters discussed with the Government offices concerned were as follows:
 - (a) Counter-measures for the shortage of technicians.
 - (b) Measures for ships requisitioned for military service, and plans for promoting shipbuilding, etc.

op.63The seventh period (from the beginning to the end of December)

- 1. The principal matters discussed with the government offices concerned in regard to their enforcement were as follows:
 - (a) Measures for breaking the deadlock of industrial capital, and counter-measures for the monetary situation at the year's end.
 - (b) Mersures for coping with the shortage of coal in Honshu and Shikoku.
 - (c) Measures for coping with the growing difficulties in the menegement of the principal industries.
 - (d) Re-examination of marine transportation capacity of 00 tons of ships requisitioned for military service.
 - (e) The treatment of ships sailing in dangerous waters and also of the crew of such ships.

The eight period (from January to March, 1942)

- 1. The principal matters discussed with the government offices concerned were as follows:
 - (a) The matter of despatching exploitation units to the E, P and $\mathbb Q$ areas.
 - (b) The natter of transporting the goods confiscated in E, P and Q.
 - (c) Examination of the merine transportation capacity resulting from the de-requisitioning of 00 tons of ships from military service.

Doc. No. 2228 Page 33.

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 - (c) Examination of the marine transportation capacity resulting from the de-requisitioning of 00 tons of ships from military service.

Doc. No. 2228 Fage 34.

- p.65 The ninth period (from April to May)
 - 1. At the request of the Supreme Command Headquarters, we conducted investigations for tightening up the economic mobilization plan, in order to cope with the wer against D, and reported our findings to the Cabinet Council.
 - II. The following matters were discussed with the government offices concerned:
 - (a) Counter-measures for the decrease in the number of applicants for crew duties and for the increase in the number of seamen leaving their ships.
 - (b) Plans for the transportation of goods produced in E, P and Q.

Page 35.

Doc. No. 2228

OUTLINE OF THE PROGRESS OF THE THEORETICAL MANEUVERS FOR TOTAL VAR No. 1

(Overseas Affairs Ministry)

ISHII, Tekashi Oversees Affeirs Minister

p.66

The third period (August 1941)

No measures were taken.

p.66 The fourth period (September 1941)

After explaining the rice situation in KOREA in view of the unsatisfactory importation of Korean rice in Japan proper, we emphasized the importance of smooth interchange of food among Japan proper, overseas territories, Manchukuo and China, and proposed the establishment of a powerful central organ for achieving this object.

In connection with the unemployment problem of middle and small scale tradesmen and manufacturers resulting from the modification of the commodity mobilization plan, we explained the measures to be taken for those overs as who had to change their occupation, classified into Koreaps, Formosans and Japanese.

22.66-

67

The fifth period (October 1941)

In connection with the problem of runs on banks, we explained the overseas finencial situations individually.

In response to the demands of the Supreme Command Headquarters of Blue Country to consolidate the whole nation's strength, we proposed the enforcement of a military conscription system in KOREA and the adoption of a special volunteer system in FORMOSA. This was approved. The enforcement of the military conscription system in KOREA was passed and fixed in the regular session of the Diet, which convened in December of the same year.

We also reported the measures adopted in KOREA and FORMOSA as recards the thorough enforcement of wartime educational measures in the overs as areas.

The sixth period (November 1941)

We conferred with the Communications Minister in regard to the shortage of rice in the Inner South Seas Islands, and obtained his approval for the assignment of ships to that area. However, we made no speical report on it.

p. 67 The seventh period (December 1941)

We reported that we made efforts to collect rice for the consumption of the people of James Deoper by tightening up the rice consumption regulations in KORFA and TURNOSA in rade, to cope with the increasing demand for rice con perion from these areas owing to the shortege of food in Japan Proper.

We reported on the measures taken against possible air-raids on NORTHERN FORMOSA following the opening of hostilities with A and E.

p.68 The eighth period (January to March, 1942)

We reported on the measures we had taken to cope with the disquieting situation among Korean farmers due to the tightening up of food regulations in KOREA and the increased shipments of rice to Japan Proper.

The ninth period (After April, 1942)

In order to cope with the difficulty confronting Japanese immigrants in Manchukuo in putting out their productions to the market owing to the shortege of Jabour as the war progressed, we decided to stress the significance of such productions from the standpoint of national policy and continue to strongly enforce this measure. Having been appointed on 30 July 1941 /Showa 16/ as members of the First Committee, we studied the administration of the occupied territories, especially the Netherland East Indies, which had been assigned to us to investigate. During the course of our investigations we submitted a report on the economic value of the Netherland East Indies.

Moreover, there were a considerable number of problems arising in Japan Ploper which had an incluence on the overseas tetritories to a contain extent. (For instance, admindsty mobilization, labour problems, etc). However, since it was impossible to propose measures for each one of them in view of personnel and knowledge needed, we submitted measures for only those matters which had a direct bearing on the overseas territories.

Page 37

0.70

THE RECORD OF THE PROGRESS OF THE THEORETICAL MANEUVERS

The Minister of Finance

August 23rd.

The second period (July 1941)

As a part of the Flens for Total for of the Government of Blue Country, we decided on a policy for financial planning, the gist of which was as follows:

- 1. The principle object was to establish firmly the resition of finance in the national economy and to concentrate state finance on the replenishment of military preparations and the reinforcement and expansion of productive power for national defense, while avoiding victous inflation through the right handling of demand and supply between capital and commodities.
- II. To put state finance on a more planned basis.
- III. To fix taxes not only on the basis of the requirements of state finance, but also, by attaching great importance to the absorption of purchasing power in war time, and also to their connections with industry, on the national livelihood, etc.
- IV. To reduce as much as possible the issue of Government bonds by avoiding the compilation of a pointless expenditure budget which relies on merely the issuance of Government bonds for covering the deficit, and at the same time to presecute a financial policy laying main stress on the absorption of Government bonds.
- V. To compile, in accordance with the foregoing policy and in conformity with the revised commodity mobilization plan of the Planning Board, a working badget by roughly estimating the military expenditures (total of general accounts and of special military expenditures) capable of being defrayed during 1941 /Showa 16/ at ¥ 12,500,000,000 (¥11,700,000,000 according to the capital mobilization plan of the Planning Board) and economizing ¥800,000,000 in administrative expenditures.

00.71-

74 The third period (August 1941)

In order to cope with the tense international situations surrounding N in August, 1941, especially the enforcement by A of the Assets

Freezing Act against N. and the tightened situation of the internal financial market, we took the following measures (submitted on August 7th).

- 1. Measures concerning industrial capital.
 - (a) Provisionally suspended the grant of authorizations and permissions under the Temporary Capital Funds Adjustment Law and other industrial laws.
 - (b) Continued, as counter-measures for the stock market, the active purchase of principal stocks by the Cooperative Securities Co., and moderation in the sale of stocks on the part of financial organs, etc.
 - (c) In order to break up stagnation in the capital market, the kinds of debentures to be floated were selected, the plan for the absorption of debenture by the syndicates was carried out, the amounts of bonds underwritten with Government funds were increased, smooth finance for debentures was provided, the repayment of advances made by the syndicates was suspended for the time being, and the method of raising capital by the companies issuing debentures was re-examined.
 - (d) Financial organs were required to make strict inspection of loans for equipment installations, and to streamline the finance for normal enterprises. Closer financial relations between the various financial organs and the Bank of Japan were fostered. Furthermore, the issuance of financing orders in regard to stored funds and funds for converting equipments necessitated by the war situation, were considered.
- 2. Measures for the dessation of international finance following the enforcement of Capital Freezing Act by both A and B.
 - (a) Concluded individual clearance agreements based on a barter system for the settlement of international accounts and especially strive to develop a many-sided all-round method of settling accounts among the countries of the East Asia Co-Prosperity Sphere, with N country as the center, by taking into account the balance of payments among them.
 - (b) There was no way but to leave our relati ns with A and B to take their own course.
 - (c) Regarding our relations with L, we expedited the import of goods for stocking from the countries concerned by

Pege 38

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- 2. Measures for the cessation of international finance following the enforcement of Capital Freezing Act by both A and F.
 - (a) Concluded individual clearance agreements based on a barter system for the settlement of international accounts and especially strive to develop a many-sided all-round method of settling accounts among the countries of the East Asia Co-Prosperity Sphere, with M country as the center, by taking into account the balance of payments among them.
 - (b) There was no way but to leave our relations with a and B to take their own course.
 - (c) Regarding our relations with L, we expedited the import of goods for stocking from the countries concerned by

Page 39

utilizing the fun's which had fled to the L countries, and strave to conclude as quickly as possible clearance agreements with them.

- (d) Efforts were made to bring about a balanced position in intermational payments between our country and E country and a many-rided method was devised for cettling accounts, giving consideration to the balance of trade between E and the various countries of the co-prosperity sphere. Any difference of payments was paid by ear-marked gold.
- (e) Efforts were made to conclude clearance agreements with I and G also.
- (f) The settlement of accounts with F and T could be made by means of clearance agreements, but if T really insisted on it, settlement might be made by means of ear-marked gold.
- 3. Counter-measures for preventing the fluctuation of the currencies linked to the yea.
 - (a) Concerning M's currency, we consulted with M for the adoption of such measures as the tightening up of control of prices and profits, the tightening up of the Capital Funds Control Iaw, the drastic revision of the Five-Year Industrial Plan, and the intensive promotion of self-sufficiency in the necessaries of life, and the encouragement of savings.
 - (b) In regard to the notes of the Federal Reserve Bank of North C, measures were taken to reduce the amount of disbursements for military expenditures, to promote the exchange of goods with N by expanding the system of foreign exchange adjustment fees, to withdraw the Federal Reserve Bank notes from circulation through the production of cotton goods by the transfer of cotton industry from Japan Proper to North C, and to increase the bottoms between N and C.
 - (c) In regard to the military notes in Central and South C, the existing measures were reinforced and continued. At the same time, measures were taken to trans-export N's goods which had accumulated owing to the suspension of export to third countries, to check the disbursements for military expenditures, and to promote the inter-flow of goods among the countries of the Confrosperity Sphere.

We consulted with and received the approval of the Governor of the Bank of Japan and the department heads of the Planning Board on the foregoing matters.

Page 39

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- (e) Efforts were made to conclude clearance agreements with I and G also.
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 - (a) Concerning M's currency, we consulted with M for the adoption of such measures as the tightening up of control of prices and profits, the tightening up of the Capital Funds Control Law, the drastic revision of the Five-Year Industrial Plan, and the intensive promotion of self-sufficiency in the necessaries of life, and the encouragement of savings.
 - (b) In regard to the notes of the Federal Reserve Bank of North C, measures were taken to reduce the amount of disbursements for military expenditures, to promote the exchange of goods with N by expanding the system of foreign exchange adjustment fees, to withdraw the Federal Reserve Bank notes from circulation through the production of cotton goods by the transfer of cotton industry from Japan Proper to North C, and to increase the bottoms between N and C.
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We consulted with and received the approval of the Governor of the Bank of Japan and the department heads of the Planning Board on the foregoing matters.

Page 40.

pp.74-

The fourth period (September 1941)

The advent of September saw the absorption of Government bonds gradually declined and the market price of 3% Government bonds drop below the laste price. Security prices also took a downward trend. Accordingly we adopted the following steps as counter-measures for the absorption of Government bonds and the maintenance of their market value and for the stock market (submitted on August 11):

1. Counter-measures for speeding up the absorption of Government bonds and maintaining their market value.

As the consequence of the conference with the Governor of the Bank of Japan, we made the Bank of Japan take the following steps for the time being:

The other banks were induced individually to purchase Government bonds; and the life insurance companies were requested to invest their idle funds in Government bonds or lend them on call to the Industrial Bank of Japan and the Yokohama Specie Bank. Furthermore, as a measure for the maintenance of market prices, the Nikko Securities Co. was asked to buy up 300 Government bonds, while the various security companies mathered up small batch sales of Government bonds. In addition, arrangement was made for the financial organs to adopt a resolution of following a policy of restraint in respect to Government bond transactions, and large sellers were warned individually.

2. Counter-measure for the stock market.

Besides having the Japan Cooperative Securities Co. continue the purchases, we drafted an Imperial ordinance for the fixing of stock prices (article 19 of the General Mobilization Act) and had it promulgated on September 25, to be effective immediately. The substance of it was that the price of shares transacted by the trading members of the stock market must be operated within the minimum or maximum limit (the maximum limit to be not applicable for the present) set by the competent minister, and at the same time, the shares owned by companies could be estimated below the apprecised value of the preceding term.

79.76- The fifth period (October 1941).

Developments in the international situation following the outbreak of war between X and A led people to think that it was impossible
for N to avoid war. Consequently, the stock market slumped and was
in a semi-panic state, while the banks, other than the big ones,
were subjected to runs owing to the runour that the withdrawal of
deposits would be restricted. Therefore, the restoration of stability
in the financial world through the recovery of the stock market and
the checking of the withdrawal of

PURL: http://www.legal-tools.org/doc/020fab/

bank deposits was most urgently necessary. Accordingly, we hastily adopted the following measures (submited on August 13):

1. Counter-measures for the stock market.

Both the Finance Minister and the Commerce and Industry Minister hastily issued statements that they had no intention of further reducing the minimum value of shares, and at the same time we ordered the Sopperative Securities Co. to buy up shares in defense against sellers, and, as a gesture of the government's support, we ordered a new loan of X 50,000,000 to the Cooperative Securities Co.

- 2. Counter-measures for the run on banks.
 - (a) The Finance Minister denied in an oral statement the rumour of the restriction against the withdrawal of bank deposits and at the same time expressed the wish that the people would actively cooperate in the savings moving, since there was no askiety regarding the foundation of banks.
 - (b) We had the Bank of Japan speedily begin unlimited lending and immediately provide each of its branches and agencies with a sufficient amount of convertible notes.
 - (c) The financial organs were notified that the Bank of Japan would give them support by unlimited lending in order to enable them to promptly respond to the demand for the withdrawal of deposits, and that they should not cause difficulties in industrial financing by recalling their loans especially at this time.
 - (d) We arranged with the Information Board to prohibit articles on transactions and withdrawals of bank deposits as there were fears that such articles would intensify the unrest.
 - (e) We received a report from the Bank of Japan that it had already commenced taking these measures.

Besides these, we adopted the undermentioned measures in view of the heavy blow inflicted on various quarters by the cessation of exports to third countries (submitted on August 14). Moreover, at the request of the Vice Director of the Manchurian Affairs Bureau, we requested that a counter-measure be taken to cope with the movement for the conversion of funds into goods in M country, which had been prompted by the inflationary trend in that country.

1. Financial measures taken following the cessetion of trade with third countries:

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 - (b) We had the Bank of Japan speedily begin unlimited lending and immediately provide each of its branches and agencies with a sufficient amount of convertible notes.
 - (c) The financial organs were notified that the Bank of Japan would give them support by unlimited lending in order to enable them to promptly respond to the demand for the withdrawal of deposits, and that they should not cause difficulties in industrial financing by recalling their loans especially at this time.
 - (d) We arranged with the Information Board to prohibit articles on transactions and withdrawals of bank deposits as there were fears that such articles would intensify the unrest.
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1. Financial measures taken following the cessation of trade with third countries:

Page 42.

- (a) In consultation with the Ministry of Commerce and Industry, we indemnified losses by application of the Export Indemnification Law.
- (b) Financial organs cooperated in financing the purchase of accumulated goods, the hurried collection of loans by the exchange banks was checked and financial assistance was given to the export industry.
- (c) Assisted-M and C in raising yen funds in connection with the transferred expect of accumulated goods to M and C.
- 2. Counter-Measures for the inflation in M.
 - (a) We requested the M government to carry out a movement for encouraging savings, absorb idle funds by perfecting and expanding financial organs, to convert the commercial capital owned by the native inhabitants into industrial capital, to carry on a large-scale lottery system, to enforce the Revised Five Year Plan and to intensify the application of the Capital Funds Control Act.
 - (b) In N consideration was given to the transferred exportation to M of the accumulated goods which had been originally intended for export to third countries and to the supplying of yen funds (short term credit) necessary in this connection. At the same time, exchange control was strengthened and measures taken to prevent fluctuations in the prices of import and export goods as preventives against the spread of inflation into Japan Proper. Furthermore, we expended a total of ¥ 79,500,000 from the Second Reserve Fund on countermeasures for food storage, for export goods consequent upon the suspension of trade with third countries, for labour, for the collection of essential materials, and for propagands.

pp.79-

The sixth period (November 1941)

Although the police and judicial authorities were powerless to control the movement for the conversion of money into goods and the continual violation of economic control owing to the spread of the inflationary tendency, no special measure was taken and a policy of "Watch and Wait" was pursued (the financial world was tranquil). We prepared beforehand measures to prevent the confusion of the financial world at the start of war, and also requested both the police and the judicial authorities to supervise the more important violations of economic control. Especially for the increase of the number of policemen, we decided to appropriate \$2,200,000 from the Second Reserve Fund (submitted on august 15).

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Doc. No. 2228 Page 43.

2. Although the absorption of Government bonds continued without improvement in the anther part of Movember, we did not take any special positive measure to expedite the absorption of Government bonds for fear that it might cause the teichtening up of the money market at a time when the year was drawing to a close, besides the shock suffered by the financial world from the military advance into E. We decided to compile the budget for the next year under a policy of compouning with the commodity mobilization plan by effecting a drastic readjustment of the affairs of the Government offices and keeping down the total of general accounts and special military expenditures to a sum within the amount of this year's working budget.

Furthermore, we effected a considerable raise in tax rates from the viewpoint of absorbing the general purchasing power. We announced the increase of tobacco prices (average of 20% in general) at midnight of November 30. (These were submitted on August 16).

- 3. We submitted to the extraordinary session of the Diet the following budget bill and other bills (Submitted on August 16).
 - (a) Supplementary budget to the total budget for general accounts \$\frac{1}{2}\$ 1,003,000,000
 - (b) Supplementary budget to the special military accounts budget: # 4,000,000,000
 - (c) Supplementary judget to the special accounts budget for both Korea and Formas, respectively 4 1,500,000
 - (d) Supplementary budget to the special account budget for government investments. ¥ 300,000,000
 - (e) Supplementary budget to the special account budget for state management of chips. ¥ 200,000,000
 - (f) Bill on Out-of-Budget contract for special finance. ¥ 1,500,000,000
 - (g) Bill concerning the issuance of government bonds:

 Total of the special military expenditures and
 general accounts: ¥ 4,010,000,000
 - (h) Bill on the Special account for the state management of ships.
 - (1) Bill for the revision of the various tax laws in order to increase tax levies.

| | average Rate of Increase | Estimated increase of tax receipts in normal years | Estimated increase for 1941 |
|----------------|--------------------------|--|-----------------------------------|
| Direct taxes | 32.7% | ¥ 883,000,000 | ¥ 294,000,000 |
| Indirect taxes | 83.4% | ¥ 580,000,000 | ¥ 193,000,000 |

(j) Wartime Finance Corporation Bill.

In order to facilitate martime industrial financing, the Wartime Financial Corporation, with a capital of V 500,000,000 (of which V 300,000,000 to be invested by the government) was established for the purpose of making investments in and financing national enterprises, buying up idle or non-employed equipments, extending loans for changing business lending against Government bonds debentures, and stocks, putting the floor on the security market, and regulating the money market:

(k) Bill for special financing by the Bank of Japan and the indemnification for losses thereon.

In order to cope with the financial difficulties arising at the outbreak of war, indemnification for losses on special financing was made within the limit of $\frac{1}{2}$ 1,500,000,000 during one year and a half from now.

pp.82-84 The seventh period (December 1941)

The following measures were taken for the time being as counter measures for industrial financing and also the end-of-year financing in order to cope with the increasing difficulties of industrial management caused by all the different conditions attending the progress of wartims economy.

1. Measures to break the tight money situation for industrial financing.

A way was provided to have the Bank of Japan extend special loans to those companies which had fallen into menagement difficulties owing to the non-employment of their assets, and measures were taken to have the national treasury pay subsidy to cover interest charges by establishing a system of registration with the association of unemployed assets and idle equipment effect the rationalization of management, institute proper accounting procedure, and amalgamate allifiated companies.

At the same time the financial organs were asked to exercise moderation in collecting their loans. Furthermore, as a countermeasure for the tendency toward cash transactions due to the shunning of the discounting of bills, efforts were made to restore the circulation of credit bills by the adoption of a stamped-bills system.

2. Measures for the end-of-year finance.

In regard to the end-of-year finance, the disbursements of government funds were regulated in the Government Funds Demand and Supply Planning Conference and ar ample supply of funds was provided by the release of the funds held by the Deposit Bureau, the curbing of the absorption of call loans by the Yokohama Specie Bank and the Industrial Bank, and the purchase og Government bonds by the Bank of Japan from the city banks under the condition of selling them back. At the same time, the demand for long-term funds was adjusted on a planned basis under the Capital Funds Adjustment Law also.

The northern part of Kyushu was raided towards the end of December. There was also a request for assistance from agricultural districts. In these connections we adopted the following measures (submitted on August 18):

1. Anti-air-raid measures.

Loans of the funds of the Deposit Bureau were made for the rehabilitation and relief enterprises of local public organizations, and assistance was given to the loans by the People's Bank and the Central Bank of Commercial Associations. Moreover, special treatment was accorded to applications for permits concerning the lending of rehabilitation funds by financial organs.

2. $\mbox{$\mbox{$\mbox{$\mathcal{Y}$}}$}$ 380,000 was expended from the Second Reserve Fund for the relief of agricultural districts.

pp. 84-

- 87 The eighth period (from January to March, 1942)
 - 1. On January 25, A's air force raided Tokyo. The damage done was considerable and the following steps were speedily taken (submitted on August 20):
 - (a) For the damage done to a part of the Finance Ministry by the bombing, remedial measures were immediately taken. At the same time efforts were made to raise the morale of the ministry's staff.

Doc. No. 2229 Page 46.

(b) Speedy, suitable steps were taken in cooperation with the Bank of Japan concerning the disposal of the business of the banks described by fire, the delays in the clearing of checks connected with the described banks and the prevention of disturbances in financial circles.

- (c) We adopted a policy of submitting a supplementary budget for the expenses for the repairs to government offices and the financial rester for the restoration of local public bodies, and of reducing or abolishing tapes, deporting upon the extent of the damage. In addition, low interest local serie graited by the Deposit Damage as repair funds.
- 2. The following bills were cummisted to the regular session of the Diet*(submitted on August 20):
 - (1) The 1942 total budget for general accounts.
 - (2) Supplementary budget to the special account for special military expenditures.
 - (3) Bill concerning the issuance of various Government bonds.
 - (4) The 1942 Budget for the various special accounts.
 - (5) Supplementary budget for 1941 (general and special accounts).
 - (6) Matters concerning out-of-the-budget contracts to be borne by the National Treasury.
 - (7) Special account for air-raid insurance bill.
 (Note) The outline of the 1942 budget for the general accounts and the special account for military expenditures is as follows:

| Military expenses | ¥ 11,000,000,000 |
|--|----------------------------------|
| Administrative expenses | ¥ 2,500,000,000 |
| Government bonds expenses | ¥ 1,600,000,000 |
| Income from national taxes and customs duties | ¥ 5,460,000,000 ¥ 430,000,000 |
| Profits from monopoly Amount of new Government | ¥ 430,000,000 |
| bond issues | ¥ 8,300,000,000 |

- (8) Bill for the revision of the Bank of Japan law-
 - (a) Written clarification of the business now handled by the Bank of Japan.

Doc. No. 2228 Page 47.

(b) Authorization to cwn government guaranteed debentures.

- (c) Partial revision and repeal of the business restriction provisions.
- (d) Reduction of the powers of the general meeting of share-holders.
- (e) Extension of the term of existence.
- (9) Stricken Areas Tax Reductions or Exemptions Bill. The authority for granting/exemptions in the stricken areas was vested in the government. tax reductions or
- (10) Financial Organizations Bill.

In order to have the financial organs cooperate in the enforcement of a powerful financial control three kinds of organizations, namely, a national financial control association, financial control associations according to types of business, and local financial councils were to be organized, with the Bank of Japan as the central organ, whereby the financial organs were to be linked together and injest their unified functions. Through these organizations it was ped to achieve control of the employment of funds, the perfection of the structure of financial business, and closer relations between finance and industry.

- (11) In order to contribute to the increase of national savings, taxbonds were issued and allotted for compulsory purchase by classified income taxpayers according to the amounts of their incomes. After the lapse of five years, these tax bonds were to be used for the payment of taxes or for deposit as postal savings.
- 3. As a relief measure for the rural districts, the term of repayment of agricultural debts was extended with the aid of the activities of the Industrial Guilds' Central Bank. In addition, an Imperial Ordinance for the exemption of taxes for one year in flooded districts of northern Kanto and the districts north of it was promulgated (submitted on August 20).
- 4. With the beginning of the new year, stress was laid on the absorption of Government bonds and a vigorous movement for the encouragement of savings was carried out (Submitted on August 20).

pp.87-89.

The minth period (From April to August, 1942).

1. Since the Wartime Finance Corporation and the Financial Control Association completed the procedure for their establishment and began their activities from about June, we prepared all possible measures

Doc. No. 2228 Page 47.

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The ninth period (From April to August, 1942).

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Doc. No. 2228 Page 48.

for coping with the tense situation, while enforcing a powerful financial control through the employment of this financial control system (submitted on August 22).

2. As the financial world then seemed to be gradually regaining its transuility, no new steps were undertaken in regard to the financial situation. However, since the payment for imported foreign rice had been delayed we conferred with the Governor of the Bank of Japan and adopted the following measures (submitted on August 22).

(1) Relations with F.

Payment of the price of imports for 1941. The extension of whose due date had expired, was made by the export of necessary materials. Efforts were made beforehand to moderate the terms of payment for the imports for 1942.

(2) Relations with T.

Although we had been considering the earmarking of gold for the settling of accounts between N and T, we did not insist on earmarking for the settlement of accounts, but exported gold as the occasion demanded.

Matters disposed of in the above-mentioned periods were all reported to the Cabinet Meeting, and those requiring decision by the Cabinet meeting were decided by that body, and then submitted to the Supreme Command Headquarters. (The date in brackets at the end of each item is the date on which the disposition report was submitted).

Page 49.

(Confidential Document)

THE RECORD OF THE PROGRESS OF MANEUVERS

The First Committee.

pp.90-

1. At 9 a.m. August 8 (by Real Calendar).

The first consultation meeting of the First Committee was opened. Bills.

- (1) The basic policy for the management of the various areas of the Southern Region.
 - (2) Allotment of the business of the committee.
- ? The following decisions resulted from this meeting:
- (1) The policy for the management of the various areas of the Southern Region (Future management).
 - (a) Netherlands Indies:

Java and Sumatra shall be combined into one independent state and the other remaining areas shall be annexed to it.

(b) Malaya:

For the time being, the whole of it shall be united into one, though the subject requires further study.

(c) The Philippines:

The entire region shall be made independent.

(d) French Indo-China.

While strengthening the existing situation, we must promote the infiltration of our country's power.

(e) Thailand:

While respecting her independence, we must promote the inflitration of our country's power.

2. Allotment of the business of the Committee.

- (a) Business summary and the drafting of a basic plan of rule was assigned to post-graduate student MIYAZAWA.
- (b) The outline of rule for the Netherlands East Indies and the estimation of the economic value of the Netherlands East Indies was assigned to post-graduate student ISHII.
- (c) The outline of rule for Maleya and the estimation of the economic value of Maleya was assigned to post-graduate student MARITA.
- (d) The outline of rule for the Philippines and the estimation of the economic value of the Philippines was assigned to post-graduate student HIGASA.
- 3. After fixing these assignments, the appointed four members tried their best to collect materials and although sufficient materials could not be collected, the studies were pursued to the utmost.

As the other committeemen, who were me bers of the Cabinet, were y busy, these four students pursued their studies, consulting reach other every day; there was no chance to hold a specially general consultation conference.

4. On August 20 (real calendar), when we had drafted a general definite plan, we held a second committee conference, and obtained a general understanding of the results of our studies of the past ten days. After receiving further guidance from the Supreme Command Headquarters, we presented the plan in question to Assistant officer Matsuda.

Page 51

(Confidential document)

THE RECORD OF THE PROGRESS OF MANEUVERS

Manchurian Affairs Bureau

pp. 93-

- 94 1. In the fourth period of maneuvers there was a scarcity of yen funds in M and a standstill in its Five-Year Industrial Plan. We expressed to the Prime Minister by letter our views as a suggestion regarding the measures which N should take to cope with this situation, and, after consulting with the authorities concerned of the Finance Ministry, the Bank of Japan and the Planning Board, we took emergency measures.
 - 2. In the fifth period there was an unsatisfactory trend of inflation, which produced a disquieting situation among the peasants of M. We adopted emergency measures against the situation, and at the same time expressed by letter to the Finance Minister our views by way of sugstion, because fundamental political operations were necessary to evert popular feeling, and at the same time we made a report to the Frime Minister.
 - 3. In the ninth period of the Manoeuvres, it became difficult to send pioneers to Manchukuo in view of the conditions of agricultural labour in our country. We consulted with the Ministers of Overseas Affairs and of Agriculture and Forestry, and unanimously decided on the unswerving prosecution of our national policy. After obtaining the understanding of the Cabinet meeting, we made this policy thoroughly understood throughout the whole country.
 - 4. In the ninth period of the manoeuvres our relations with D were strained. As data to serve as the basis for the resolutions of the N government, wecommunicated the recent internal conditions of M to the Prime Minister and the War Minister.
 - 5. Throughout the whole maneuvers we felt the uncertainty of the position and duties of the Manchurian Affairs Bureau under the present system. The progress of the maneuvers also showed that its activities were very passive.

Page 52

(Confidential Document)

The Record of the Progress of the Theoretical Maneuvers of Total War No. 1.

NARITA, Kenichi

The Chief of Administrative Affairs of the Asia Development Board

Submitted August 23, 1941

- p.95 The third period of meneuvers.
 - 1. Considering the necessity of taking immediate measures for maintaining N's exchange rate in C in view of the sudden stringency in N's trade with A produced by the application of the Capital Freezing Act by A, we expressed to the Finance Ministry authorities our inion on the counter-measures to be taken.
 - 2. The fourth period of maneuvers.

In view of the increasing war weariness among the officials and people of C2 in direct proportion to the progress of our operations for the maintenance of public peace in C5 we submitted to the President of the Information Board in a special document our opinions on the following two points:

- (a) Methods of strengthening our enemy oropagenda against C2's central organ and the front line.
- (b) Opinions on the unified establishment of propaganda organs as the nucleus of our forces in China.
- 3. The fifth period of maneuvers.

In view of the fact that the psychological warfare conducted in the preceding period had proved genuinely effective and caused agitation in the minds of the people of C2, a grand chance presented itself for immediately expediting the settlement of the China Affair.

Accordingly, we submitted the "Plen for the Perfection and Reinforcement of the Field Organs of the Asia Development Board" and requested the convocation of an Asia Development Board Conference in order to take an emergency measure for establishing machinery for directing and controlling the various organs in China.

Doc. No. 2228 Page 53.

The gist of this plan was as follows:

(a) To open a General Affairs Bureau in Manking and appoint the Japanese Ambassador to Chine as the Director of this Bureau.

- (b) To transfer /to it/ the political affairs machinery of the military.
- (c) To limit the guidance of local administration to North China only.

pp. 97- 4. The same period of maneuvers.

The Cabinet's decision on October 15 celled for a ready-for-war structure in order to advance into E. and in conformity with the request of the Supreme Command Headquarters to give the appearance of directing our war preparations with the object of an offensive against C, in order to conceal our plan for the southward advance, we took the under-mentioned measures to heighten the patriotic spirit of our nationals in China and to strengthen the national solidarity, bile promoting their spiritual unity and taking a stand of smashing me enemy in a single stroke, thereby paving the way for wer.

- (a) A conference ... of the driefs of the limison departments was held.
- (b) A consultation meeting of the field authorities of the army, Navy and Foreign Ministries and of the Asia Development Board was held.
- (c) The training of all organizations was intensified .
- (d) A spiritual mobilization of our nationals in China through the Imperial assistance movement was conducted.
- 5. The sixth and subsequent periods of maneuvers.

On the one hand, we worked to spiritually unify our nationals and had them maintain a low standard of living during wartime, and on the other hand, we continued our unchanging, consistent guidance in respect to our operations toward C, in conformity with the policy for disposing of the China affair contained in the "Total War Policy."

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Page 54

(Confidential Document)

THE RECORD OF PROGRESS OF THE PSYCHOLOGICAL WARFARE (INSOFAR AS IT CONCERNS THE INFORMATION BOARD) DURING THE THIRD AND SUBSEQUENT PERIODS OF THE THEORETICAL MANEUVERS OF TOTAL WAR No. 1.

pp.99

100 The third period

Domestic policy

- 1. Guidance of public opinion, such as the press and other educational organs.
 - (a) Control.

Problems of negotiations between N and A.

Comments on diplomacy.

(b) Guidance.

No change in the relations among the Axis powers. Ready for war against A (B). The significance of the advance into French Indo-China. Completion of war preparations.

- 2. Practical messures.
 - (a) The leaders of the press) round-table (b) The leaders of the principle schools of thought) conference
 - (c) Consistency of speech and action of all military and civilian officials.

External policy (mostly against A).

- 1. The expansion of an overseas intelligence network.
- 2. The creation of the post of spokesman of the President of the Information Board.
 - 3. Thorough intensification of propaganda.

pp. 100-

101 The fourth period.

External policy.

Page 54

(Confidential Document)

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pp. 100-

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External policy.

Page 55.

- 1. Propagandizing of peace and order in C.
- 2. Propaganda towards C2 (in consultation with military, diplomatic and economic quarters).
- 3. Measures to alienate enemy countries.

Foreign prepaganda.

Utilisation of foreigh telegrams of our allies.

4. Interview with foreign correspondents.

Internal policy.

- 1. Guidence of X's peace offensive against B.
 - (a) The use of the president's spokesman.
 - (b) Attention to be paid in the handling of information.
 - (c) Offensive against A and B.
- 2. Measures against leakage of secrets.
- 3. Nation-wide personal appearances and radio broadcasting by the Prime Minister and all the other Cabinet Ministers.
- 4. Demands to the Communications Minister.

Matters concerning the securing of radio and newspaper communication facilities.

pp. 102

103 The fifth period.

Internal policy.

- 1. Control of speech.
 - (a) Scarcity of rice.
 - (b) The problem of Koreens in the Hanshin distinct.
 - (c) Economic unrest.

Finance, shares, etc.

(d) Movement in Buddhist circles and religions guidance.

Page 56.

2. Propaganda.

- (a) A and B's oppression of N and war responsibility.
- (b) Criticism of the uncooperative attitude of E.
- (c) Attack against the Military Pact among A, B and C2.
- (d) Exposure of and attack on the Military Pact between A and D.

3. Measures.

Mobilization of speech and oress organs, Cabinet Ministers, politicians (Diet members), etc.

External policy.

- 1. Press Campaign.
 - (a) Attack against the detention of N's ships by A, B, E and L (partial).
 - (b) Desire N for peace in the Pacific.
 - (c) Individual judgment of the relations between A and X.
- Alienation of A from L. Conflict of interests between them.
- 3. Intensification of operations toward C2.
- 4. Intrigues against E.
- 5. Liaison with X, after the advance into E.
- 6. Propaganda towards I and Arabian districts.

pp. 104-

105 Supplements for the fifth period.

Internal policy.

- 1. Unification of the ideological front.
 - (a) Gubernatorial conference.
 - (b) Lianson with the speech organs.
 - (c) Liaison with schools and other educational institutions.
 - (d) Liaison with motion pictures, the drama and other cultural quarters.
- 2. Wartime structure reinforcement week.

Page 56.

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Page 57.

- 3. Counter-measures for food.
 - (a) Counter-measures for consumers.
 - (b) Clarification of the position of the agricultural districts.
 - Sale of rice to the government.
 (c) Circulating motion pictures and drame.
- 4. Counter-measures for economic unrest.

Collaboration of the various ministers concerned.

Propagandizing (a) the importance of order in wartime
finance and (b) instances from World War I.

- 5. The setting up of public loudspeakers and secret informers.
 - (a) Public loud-speakers
 Principal cities.
 Streets, schools and fectories.
 - (b) Secret informers.

1,500 members. Budget ¥ 7,500,000

Liaison with the Home Ministry and gendarmes

pp. 106-107 The sixth period.

External policy.

- () 1. The question of A's declaration of war against X.
 - (a) The statement of the President of the Information Board.

It is not a new situation.

- (b) Non-interference with the public demand for immediate entry into war.
- 2. Propagandization of X's attack against Suez and Gibralter.
- 3. No elteration to be made in the tone of arguments in regard to the encirclement of N by A, B and E. Intentions behind it to be kept secret.
- 4. Propagandization of the attacks on C2.

Page 58.

- (B) The intrigues against E were reported to be unsatisfactory.
- (6) Hand-bills, pamphlets and the fifth column in line with the landing operations against E.
 - Problem of rice substitutes and fertilizers.
 Kept pace with the plans of the Agriculture and Forestry Ministry.

2. Labour problems.

3. The enforcement of a Wartime Economic Morality Week.

(a) Thorough inculcation of the policy.

- (b) Moral conduct, inflation, barter and extermination of black market operations.
- 4. Tightening up of the anti-espionage spirit.

Supplements for the sixth period.

External policy

- 1. Conformity with the military advance into E.
 - (a) Efforts to make E abandon its resistence spirit.

 By means of handbills, radio and oropaganda agents.

(b) Reporting of the E campaign and its object.

Defence of the nation's existence.

(c) Propagenda towards M. C. F. T and C2 concerning the above campaign.

(d) Consultation with X.

Internal policy.

- 1. Liaison with the Supreme Command Headquarters.
- 2. Exaltation and intensification of the people's morale through the advence into E.
- 3. Elucidation of the object of the E expeditionary campaign.
 However, unnecessary stimulus to A and B was avoided
 (according to the given situation).
- 4. Speech and reports concerning the Diet.

pp.109 The seventh period.

External policy.

 A's establishment of a neutral water zone in P. The President's /Information Board/ statement.

Page 59.

- Propaganda broadcasts to E. Tokyo-Trihoku-Palau-Saigon
- 3. Attack against A's oppression of N's metionals in A.
- 4. Propaganda about the control of oppression against A's nationals in N.
- 5. Emphasis on the strengthening of the internal structure.

Internal policy.

1. The problem of the sinking of transports.

Exaltation and intensification of the people's morale, and caution against rash actions.

- 2. Correct understanding of the situation.
- 3. Control of the self-rightious discussions of diplomatic problems.
- 4. Control of public opinion and positive announcements.
- 5. Propaganda in connection with the start of war with A and B.
 - (1) Imperial Rescript observance ceremony and the Premier's broadcast elucidating the spirit of the rescript and the object of war.
 - (2) Propaganda regarding the responsibility and injustice of A and B in starting the war.
 - (3) Report of the eradication of A and B's imberests in the East Asia Co-Prosperity Sphere.
 - (4) The air raid against Northern Kyushu and its announcement.
 - (5) Suppressive measures against amusement lines.
 - (6) Alteration of Asia Development Service Day.

pp.110 The eighth period.

External.

- 1. The L countries request the evacuation of N diplomats.
- 2. The tactics for luring A's main fleet.
- 3. Tokyo air-raid; announcement of A's damages.
- 4. Intrigues towards T.

Doc. No. 2228 Pege 60

Internal policy.

- 1. The announcement of the reports of the results of N's armed forces in \mathbb{E} , \mathbb{Q} and \mathbb{S} .
 - 2. Air-raid against Tokyo city.
 - (a) Actual fact of damage
 - (b) Extent of drmege
 - (c) Guidance of speech
 - (d) Exaltation and intensification of the people's morale.
 - 3. Damage to A's aircraft carriers and cruisers.
 - 1. Exaltation of the tense feeling of the agricultural districts.

The eighth period.

- 1. Questions and answers in the Diet and the utilization of foreign propaganda.
 - 2. Foreign and domestic propaganda.
 - (a) Co-prosperity of the East Asiatic races.
 - (b) Self government of East Asia.
 - (c) Non-interference and non-aggression.
 - (d) Principle of equality and freedom.
 - (e) Future management policy for P, Q and E.
 - 3. Propegenda regarding the luring of A's fleet.

pp. 112 113 The Ninth period.

Internal policy.

- 1. Measures equinate the slackening of the people's spirit as the result of our successful military operations. (Elucidation of the purport of the Imporial Rescript).
 - 2. Propaganda.
 - (a) The success of our military operations and our war results.
 - (b) Construction of the occupied areas.
 - (c) A s fleet remains in tect.
 - (d) Damege from enemy sir-raids and submarine activities.
 - Firm views against R. (Non-interference with such views, except in extreme cases)

Page 60

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Page 61.

1.99

- 4. Measures to cope with the increasing number of beople desiring to travel to E.
 - (a) Restriction of qualifications.
 - (b) Driving home the significance of the secred war.
- 5. Measures to cope with the shortege of seamen and to keep seamen from leaving their ships.
 - (a) Propaganda for their recruiting.(b) Gratitule toward seamon,
- .114 Ninth period -- Supplement.

(Navel battle of "J" and the period following).

Internal policy.

- 1. A 3-day mass celebration in the great victory of the navel battle of "J".
 - 2. Measures for tightening up public morale (propagenda).
 - (a) D's disregard for the neutrality pact, and supplying A with military bases.
 - (b) Necessity for widespread effort for East Asia prosperity.
 - 3. Parachutists land on Korea.

(in accordance with our previous policy)

External policy.

- 1. Continuous propagande on the great neval battle of "J".
- 2. Unrest in R.
- 3. Disclosure of B's peace movements.

Pega 63

Prac By

(Confidential Document)

RECORDS OF THE THEORETICAL MANEUVERS FOR TOTAL WAR NO. 1 (1941)

Home Minister

YOSHIDA Keiichi

.. 115 Third period (August)

- 1. With the increasing tension in international relations, the supervision of foreigners was tightened up.
- 2. Control of the Leftist elements was tightened up as a measure against D's intrigues..
 - 3. Control of Koreans and C's nationals was tightened up.
- 4. Control of speech and press was tightened up and anti-espionage was driven home to the people.

pp.115 116 The fourth period (September)

- 1. We collected information concerning the trend of public sentiment on the international situation, and at the same time controlled extremist speeches and writings advocating an immediate commencement of war against A or D, or slandering X's peaceful offensive against B.
- 2. A black-list of Japanese nationals who should be closely watched as a defense against foreign intrigues and espionage was drawn up, and control exercised over them.
- 3. With the growing seriousness of the unemployment of those engaged in middle or small scale industries, we collected information and also controlled petitions, etc., as well as made them cooperate in changing to other business.
 - 4. We made /the people/ cooperate in food rationing.
 - 5. We exercised a control over rumours circulated among financial circles and in general.
 - 6. We adopted prudential measures against rumours of the arrests of legitimate Leftist elements, and also closely watched foreign propaganda and intrigues.
- 7. We adopted necessary measures in connection with the enforcement of the mail control ordinance.

Page 63

0.116

117 Fifth period (October)

- 1. We supposed the disquieting situation in the Hanshin district was arising from the rice ration system. At the same time patrol plans were prepared in case of rice ricts in other districts.
- 2. As to runs on banks, we benned the publication of news articles about them and at the same times controlled rumours. Furthermore, we requested the attentions, the war Minister in regard to mobilization in the districts where runs had occurred.
- 3. We paid attention to the domestic situation accompanying the cessation of foreign trade.
- 4. We tightened up control of the Rightists.
- 5. We perfected and strongthened the central machinery for air-defense.
- 6. Besides proposing the issuance of an Imperial emergency ordinance concerning the restrictions, prohibitions and orders necessary for the enforcement of air-defense, we made a number of air-defense preparations.
- 7. We controlled speeches and writings which would enable people to form an idea of our policy towards A, B and E.

pp. 117

118 Sixth period (November.)

- 1. We reinforced the police and also employed assistants. At the same time we worked to concentrate police administration on important matters in order to cope with the lack of policemen.
- 2. We adopted necessary measures for the enforcement of the Imperial Emergency Ordinance concerning the restrictions, prohibitions, and orders necessary for the enforcement of air-defense (simultaneously with the invasion of E).

pp.118

119 Seventh period (December)

- 1. We carried out farm relief enterprises which lay principal stress on munition works.
- 2. The Foreign Minister and others explained the current situation at the meeting of prefectural governors.
- 3. We tightened up the control of the amusement districts according to the developments of the war situation.

Doc. No. 2228 Page 64.

4. We tightened up the control of speech and press and rigidly enforced strong anti-espionage measures, as diplomatic relations with A and B became so tange.

- 5. Simultaneous y wish the issue of air defense regulations, we took such measures as the designation of non-evacuation areas and the distribution of air-raid precaution campulats.
- 6. The responsible prefectural governors were required to provide ameliorative measures against air-raids in the Kyushu districts. We also controlled the spread of rumours.
- 7. With the opening of hostilities against A, we tightened up the control of speech and press and provided defensive measures against the intrigues and propagable of enemy countries.
- 8. We submitted to the regular session of the Diet a bill for the amendment of the police regulations for preservation of law and order.
- 9. The decision was made for general elections to be carried out in 1942.

pp.119 Eighth period (January, February and March, 1942)

- 1. With the enforcement of martial law, local authorities were required to work in close collaboration with the commender of the forces enforcing martial law. This office also cooperated with the authorities concerned.
- 2. Regarding air-raids on the Metropolic, the Chief of the Metropolitan Police Board was required to provide proper measures under the direction of the commander of the forces enforcing martial law.
- 3. We effected the maximum of local delegation of our work to simplify our office work.
- 4. Secretaries and commissioners were ment to raided areas for superintendance and liaison work.

Ninth period (April to September, 1942)

As we were now under martial law, our line of policy was as follows, both for individual action and in cooperation with the authorities concerned:

- 1. Suppression of extreme cases of speech or press of advocation of open hostilities egainst D, arising from increasingly tense diplomatic relations with D.
- 2. Measures for defense against intrigues and espionage of A and B as well as \mathbb{D} .

Dor. No. 2228

Page 65.

3. In view of wartime circumstances, suppression of extreme criticisms in speech or press of Government policies, especially the government's diplomatic policies, and determined attempt at importiality in the elections.

4. Temporary slackening of control to celebrate the decisive see victory over A.

Page 66.

RECORDS OF THE FROSRESS OF THEORETICAL MANEUVERS FOR TOTAL WAR NO. 1 - 1941

Cubmitted by: T. SASAKI, President of the Bank of Japan

pp. 1214

122 Third period (August 1841)

- 1. Measures for indvatrial deputal.
 - (a) Execution of a measure to book the deallock in the bond market.
 - (b) Guidance of loan policine of finance institutions.
- 2. Stock market measures.
 - (a) Purchase of stocks by the Aralgamated Securities Company of Japan to prevent a fall in stock prices.
 - (b) Checking of new capital increase and of further calling up of capital payments.
 - (c) Preparation for establishment of official prices of stocks.
- 3. Measures to cope with the foreign exchange question arising from the freezing of N's assets by both A and B.
 - (a) Conclusion of an agreement for the settlement of accounts on a barter basis and centered in the East Asia co-prosperity sphere.
 - (b) Consideration for utilizing gold for the settlement of balance accounts.
 - (c) Acceptance of the Yen as the foreign trade currency of the East Asia Co-Prosperity Sphere.
- 4. Measures for the maintenance of the value of currencies linked to yen.
 - (a) Economy in military expenditures.
 - (b) Transfer to M and C of goods whose expect to third countries had become difficult.
 - (c) Re-examination of development plans.
- p.122 Fourth period (September 1941)

Measures for fostering the absorption of Government bonds and maintaining their market prices.

Doc. No. 2228 Page 67.

- (a) Enforcement of measures for converting into long-term investments the abundant short-term investments of financial institutions.
- (b) Support of the market prices of Government bonds through the Nikko Securities Co.
- (c) Curbing of Ocvernment bond sales by the financial institutions.
- (d) Absorption by security dealers of Government bonds sold out by individuals.

p.123 Fifth period (October 1941)

- 1. Measures against runs on banks.
 - (a) Previous provision of bank notes at each place.
 - (b) Supplying each bank with sufficient funds for the payment of deposits.
 - (c) Announcement to the effect that the government had no intention of restricting the repayment of deposits.
- 2. Measures against the tight money situation of those engaged in foreign trade. Curbing of the resulting of loans to them, and assistance to them by releasing relief funds.

p.123 Sixth Period (November 1941)

- 1. Measures for preventing disturbances in financial circles.
 - (a) The expansion and reinforcement of the Finencial Council.(b) Support for the maintenance of market prices of securities.
 - (c) New preparations after the runs on banks have subsided.
- 2. Fir the 77th special session of the Diet.

Requested the presentation of the Bank of dayan Special Finance and Indemnification of Losses Bill.

p. 124 Seventh Pariod (December 1941)

- 1. Measures to cope with the tight situation of industrial finance.
 - (a) Enforcement of special firmes for the relief of non-utilized capital and rele squipment.
 - (b) Guidance for the rationalization of management on the part of the capitalists.

Doc. No. 2228 Page 68

- (c) Adoption of the strmp-bill system.
- 2. Measures to cope with the demand for funds to effect end-of-year payments.
 - (a) Adjustment of the disbursement of government funds.
 - (b) The release of the funds of the Bank of Japan.
- 3. Measures to cope with the air-raids in northern Kyushu.
 - (a) Extension of emergency loans by the Moji and Fukuoka branches of the Bank of Japan and the establishment of temporary sub-offices.
 - (b) Supprecsion of the recalling of loans by city banks.

pp.124-125 Eighth Period (From January to March, 1942).

- 1. Measures for the perfection of the financial structure.
 - (a) Organization of a financial control system.
 - (b) Carrying out the reformation of the Bank of Japan.
- 2. We requested the presentation of the following bills to the 78th ordinary session of the Diet.
 - (a) Financial Organization Bills.
 - (b) Bill for Revision of the Benk of Japan Law.
- 3. Measures against air-raids on Tokyo.
 - (a) The appointment of proxies for carrying on the business of the banks destroyed by fire.
 - (b) Partial postponement of check clearing.
- (c) Supplying funds from the Bank of Japan in order to prevent distributions in financial circles.
 - (d) The enforcement of measures necessary for continuing business during air-raids.

P.125 Ninth period (April to August 1942)

1. Measures for carrying out the Financial Organizations Law.

Doc. No. 2228 Page 69.

The Benk of Japan, in view of its duties in becoming the nuclous of the organization, carried out various measures necessary for the powerful and smooth enforcement of the law.

2. Measures for the commencement of the business of the Wartime Finance Corporation.

The corporation was made a powerful channel for raising industrial capital by making active use of the increased capacity of the Bank of Japan for Dupplying funds as the result of the reformation of the Bank of Japan Law.

- 3. Measures to prevent the increased issue of currency.
 - (a) Prevented the possession of a large sum of cash through the use of current account checks, postal deposits, etc.
 - (b) Put to use relief funds disbursed by verious sources.
 - (c) Fostered the absorption of Government bonds by providing appropriate allotment of sice certificates. Finance Ministry certificates and short-term Government bonds.
- 4. Measures to cope with the delay in the settlement of accounts for imports of foreign rice.
 - (a) As it was the first settlement of accounts for the deferred payment towards F, the accounts were settled by the export of necessary goods from N. From this year on efforts will be made to moderate the terms of payment.
 - (b) In the case of T, we settled the accounts in gold as much as possible, avoiding settlement by goods, as T had demanded to be paid in gold.

Furthermore, we participated in the /discussion of the/ Planning Board and the First Committee and gave our suggestions and opinions, as the occasion demanded.

(Confidential Documents)

Records of the Progress of the Theoretical Maneuvers of Total War No. 1 for 1941

by AKITAGAWA, Osaru Railway Minister of the Government of Blue Country.

- p. 128 Maneuvers during the third period.
 - 1. Measures for Railway Transportation (Aug, 1941)

The enormous expansion of the situation necessitated an increase in military transportation which increased the requisitioning of ships, freight trucks and horses. It was thus inevitable that this situation should influence in every possible way transportation as a whole. Accordingly, in establishing the following line of policy, we looked forward to harmonious working of military transportation, transportation concerned with increase of production and transportation of the necessities of life:

- (a) Restrictions on passenger transportation on both a quality and a quantity basis.
- (b) Restrictions on freight transportation owing to the shift from marine transportation, and also the decline in small scale transport capacity.
 - 2. Measures for motor-truck transportation.

As a measure to counteract the decline of transportation capacity produced by requisitioning, freight trucks in the larger cities were placed under control

- p. 129-130 Maneuvers during the fourth period. (September 1941)
- 1. Measures for the transportation of coal, from SAGHALIEN, HOKKAIDO and KYUSHU.
- (1) As measures for the transportation of coal from SAGHALIEN, HOKKAIDO, harbor facilities and overland transportation capacity were increased, taking into consideration the shift from marine transportation/to overland transportation./
- (2) As measures for the transportation of coal from KYUSHU, the completion of the KAMMON Tunnel was hastened to prepare for the shift/to overland transportation/from transportation by steam and sail driven boats.

DOC. NO. 2228

Page 71

- 2. Measures for maintaining the present railway capacity. (1) Efforts were made to increase transportation capacity by expanding equipment, replenishing personnel, and increasing efficiency.
- (2) Control was effected of passenger and freight traffic to regulate the demands for transportation.
- (3) Transportation of munitions and the necessities of life must be maintained to the last. The suppression of ordinary transportation was effected first of all, and if unavoidable, the restrictions were extended to comparatively non-urgent materials among those for production increase.
 - 3. Measures for small scale transportation.

As the stringercy in the capacity of small scale transpertation not only reduced the railway transportation capacity, but also greatly affected the movement of emergency materials, freight trucks in the larger cities were placed under national

- 4. Cooperation in the control of passenger and freight traffic was requested of the various organs concerned.
- pp. 130-131 Maneuvers during the 5th period (Oct 1941)
- 1. In respect to railway passenger-traffic, the people at large had deepened their understanding of the current situation and the volume of passenger traffic had decreased, through the cooperation of the various organs concerned. However, we kept the regulation in force since the situation permitted no optimistic outlook for the future.
- 2. In respect to railway freight traffic, we continued the policy of the preceding period.
- 3. The procedure for placing the freight trucks in the larger cities under national control was completed, and actual operation was commenced.
- 4. Matters to be prepared beforehand to cope with extraordinary damage during air raids against railways. In anticipation of air raids by A, B and E, we adonted air defense
 measures, with stress on the Keihin, Hanshin and Northern
 Kyushu districts, and at the same time drew up a plan for the
 transpertation of the people seriously affected.

DOC. MO. 2228

Page 72

p. 131 Maneuvers during the sixth period (Nov. 1941)

1. Measures for maintaining the railway business in Japan Proper in correction with the advance into E.

In order to replenish the shortage of employees and materials resulting from the furnishing of personnel and materials in connection with this advance, the sphere of employment of women was widered. r tired personnel were re-employed and some of the operating lines, as well as those already constructed but so far not operated, were removed.

2. Revision of the Railway Business Law. Passed by the Extraordinary session of the list in the latter part of Movember.

Since, by this revision, we were able to refuse transportation, accord preferential transportation and inspect the contents of freight during war time conditions, control of transportation could display its effective results by the operation of this law.

- p. 132-133 Manauvers during the 7th period (Dec. 1941)
- 1. Measures to aid the railways of M and C₁
 Due to the pressure of work since August, the wear and tear and damage sustained by the railways of M and C₁ were so severe that the Government of Blue Country was requested to furnish men and raterials.

As "Bive Country", at the request of the Supreme Command Headquarters had already extended men and materials to E (F), her transportation canacity had fallen into fairly straightened circumstances. However, since the shortage of men and materials in M and O would not only affect the transportation of necessary materials between N, M and C1, but would also greatly affect the transportation of military su plies and necessities of life within N and C1, it was decided to extend aid as much as possible, while taking into account the future demands of the Supreme Command Headquarters.

2. Measures for railways transportation in time of War.

In order to be prepared to transport refugees during air raids and guard against any decline in our transportation capacity under wartire conditions, the speed and spacing of trains were equalized to form a balanced schodule, while their composition was standardized.

DOC. NO. 2228

Page 73

- 3. Mersures for the air raid damage in northern Kwushu. Restoration of damaged places connecting transportation, and the tran portation of air raid victims were carried out to the utmost.
- n. 133 Maneuvers during the 8th period. (Jan 1942)

Measures for the demage done by air raids in the metropolis and the surrounding districts.

- 1. Efforts were rade to restore the damaged places, and at the same time the necessary transportation facilities in the cities for "commuting" were mobilized to display their utmost capacity.
- 2. By the use of trucks and ships, every possible prudential measure was taken for the transportation of afflicted people, food and charcoal.
- p. 133-134 Maneuvers for the 9th period (Apr & May 1942)
- 1. Since the operation of the railways became unsatisfactory on account of the scarcity of men and materials, we
 tightened up the regulation of the demand for ordinary transportation according to established policy. At the same time
 efforts were made to promote the efficient operation of cars
 by encouragement of the employees.
- 2. In respect to the control of local railways and tramways we exercised a intensive supervision and strove to alleviate the situation by common use of the cars.
- 3. According to supplementary information, the operations of railways and trucks were restricted as a result of insufficient distribution of fuel and scarcity of labour. Since a drastic revision of the time schedule and the reduction in the train services were carried out as a result of it, a great shock was given to the people.

As counter measures, the following were adopted:

- (1) The Minister's statement to the press and broadcast by radio.
- (2) Preferential transportation of the necessities of life.

DOC. NO. 2228

(3) By spiritual training the railway employees were inculcated with a truly spirit of sorvice abandoning the concept that they were letting memple ride or transporting them as a favor, and devote themselves to service to the country through transportation.

DOC. NO. 2208

Page 75

Records of the Progress of the Trans tical Maneurers for Total Wer No. 1 for 1941.

Submitted by KIYOI, Masashi, Minister of Agriculture and Forestry p.135-138 Measures for the 3rd Period (Aug 1941)

No. 1. Emergency dertime Food Measures.

- 1. Rico
- (1) Further restrictions on consumption.
- (a) 50% reduction of rice for sake brewing, etc.
- (b) Ration cards or tickets in roduced in every city.
- (c) Reduction of rations from 2.3 "go" to 1.1 "go" per person, but with increased elasticity.
- (2) The extra delivery of 1,000,000 "koku" /Koku is 4.9629 bushels/ from the rice kent for the farmer's own consumption.
- (3) The n refection of the rationing system and of ware-
 - 2. "heat

State control was strongthened all along the line, and at the same time the uses of wheat, other than as food, were restricted.

- 3. Preparations were under way for an all-round ration ticket sys em for all kinds of food.
- 4. Government purchase was heaun of dried moodles and starch.
- Irish rotatoes, etc. and also of emergency food articles.
 - 6. Storage

In the six major cities and S'imonoseki-Moji district, one week's provision in each family and a month's provision in the distributing organs______1,190,000 "koku".

The government provided a three months' supply for these districts. The ranufacturing companies or organizations concerned were ordered to always keep in storage more than a month's

DOC. NO. 2208

Page 75

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DOC. NO. 2228

supply of "miso", soy oil, condensed or nowdered milk, salted or dried fish, dairy products, frozen foods, etc. for the consumption of 'h se distric's.

- 7. Prudential ressures were taken to secure the import of foreign rice.
 - 8. Special stress was laid on sniritual mobilization.
- No. II Measures for the expansion of food production plan.
- 1. Stress was laid on the production of stable foods or their substitutes, compulsory planting or restricted planting, encouragement of growing catch-crops and two crops a year, and emphasis on self-supplied entilizers.
 - 2. Emergercy measures adopted for darage by floods.
- 3. Strees laid on fishing in inland and coastal waters and use of sardines and herrings as food.
- No. III Labour measures,
 - 1. Labour.

With the collaboration of the Welfare Ministry, we enforced a registration system, prohibited the transfer of laborers to unimportant industries, and adopted other measures to promote planning. At the same time we strengthened the measures which had been adopted previously.

- 2. Fostered the efficient use of farming machines and animal power by encouraging their collective use.
- p.139 Maneuvers during the 5th period (Sept. 1941)
- No. I. In view of the decrease in the import of Korean rice, it became necessary to unify the food policy for N proper, oversea areas, M and C1 collectively. We proposed that an appropriate measure be taken for the establishment of a concrete policy. This proposal was accepted. We also warned N and C1 that it would be difficult to export rice from N proper next year.
- No. II As a measure for coping with the labor system, we made preparations for the adortion of a permit system for the transfer of farmers to other occupations.
- No. III The h arding of food in large cities was recognized to a certain extent, and the selling of canned foods in the course of manufacture was suspended. The food bloc system in prefectures was rejected.

n. 140 - Managuers during the 5th meriod (Oct 1941)

No. I - The actual rice harvest for this year being 55,000,000 "koku", it was necessary to import 15,000,000 "koku" of rice from F and T.

This was decided at the cabinet meeting and irrediately put into effect.

No. II - In regard to labor, we are especially considering a joint farming system for the future.

"e requested the "ar Minister to consider the system of permitting soldiers to return to their homes during the farming season.

In regard to arable land, the development of highlands was ercouraged.

No. III - We requested supervision of disquieting conditions due to scarcity of food, but we made some provision of cereals in order to cope with possible emergency.

No. IV Whaling expeditions were suspended, but no compensatory measure was taken.

p. 141-142 Maneuvers for the 6th period (Nov. 1941)

No. I As obstacles to the import of foreign rice were arising, the following steps were taken:

- l. We adopted a composite ration ticket system. Separate composite ration ticket systems for rice substitutes and for other foods were adopted. If necessary, those two were to be combined with rice into a single composite ration ticket system.
 - 2. "e Imported overseas rice.
- 3. The uses of rice, other than as food will be greatly restricted next year. Requested the Foreign Minister to negotiate in regard to the increasing of rice production in F and T, its distribution control, and improvement of facilities.
- No. II Although M and North C requested wheat, we replied that this could not be done at present. "a also proposed a joint conference to discuss future collaboration between the three countries.

DOC. NO. 2228

No. III - As countermeasures for fertiliziers, we decided to discourage reliance on commercial fertilizers and foster the use of self-supplied fertilizers.

No. IV - The special session of the Diet was opened.

In order to make possible the collective forming of waste lands and returned tenant lands, we submitted the collective farming Bill, which was passed as submitted.

p.143 Measur's for the 7th period (Dec. 1941)

No. I - War with A and P began, imports from F and T were not going smoothly. Collection in F and T was unsatisfactory. Faced with a long drawn out war, etc., and after an estimation of the food situation a year after next, it was found necessary to effect a further reduction of 0.2 "go" in the rice ration per person bringing the ration down to 1.9 "go" per person per day. In view of the seriousness of the situation the matter was submitted to the Cabinet meeting and a decision reached.

No. II - As relief measures, subsidiary industries were encouraged as much as possible in the farming villages, importance was attached to providing employment to enable them to obtain ready cash), and the extension of loans was encouraged. (Early part of Dec.)

p. 144-145 Measures for the 8th period.

January, 1942

No. I. We requested and received the approval of the War Minister to make use of requisitioned vessels and return voyage bottoms for the importation of foreign rice.

No. II - As to the rural districts the activities of debt adjustment association, and loan association were encouraged.

No. III - Measures for the Diet.

Having decided to rely on the General Mobilization Law for the control of agricultural organization, we submitted no bill for it.

No. IV - Air de ensa measures

"o did our best to secure food and charcoal at the time of the air raids on the Matropolis.

(march, 1942)

DOC. NO. 2228

We requested and received the approval of the offices concerned to increase the transportation of rice by 300,000 "koku" per month after April in view of the alleviation of the situation in regard to the import of foreign rice.

p.146-147 Measures for the 9th Period.

(April and May, 1942)

No. I - Food ration of 1.0 "go" per person was raintained and other substitutes.

No. II - It is our policy to continue the Manchurian immigration plan, but in reality the number will decrease.

No. III - As to labor, the collective Farming Law was enforced and at the same time the cstablished plan was continued.

(July 1942)

No. I - As a normal year's rice harvest was anticipated we calculated on this basis the demand and supply for 1943, and finally reached the conclusion that it was necessary to import about 4,500,00 "koku".

No. II - We also made every arrangement to supply char-

p. 149 Records of the Progress of the Theoretical Maneuvers of Total Tar No. I for 1941 Presented by: Iwao MORI, Minister of Communications

(First and Second Periods Omitted)

P.148-150 Third Period

Though N's relations with A, B, D and E were not acute, international relations could hardly be called tranquil. As men and ships had been mobilized and D's espionage activities had been most energetic, the following measures were adopted:

- 1. Measures of replenishment and increase for the de-
- (n) Material, labor and funds, are required in order to augment our shipping, and so, while we shall do our best to build new ships, we shall do our best also to charter or buy ships from X, F and T.
- (b) As a mersure to increase the number of seamen, retired seamen will be recalled, advertising for seamen will be intensified and vigorously carried out; and the number of men per ship will be reduced.

DOC. NO.2228

- (e) To propore ourselves against the occordic pressure of A and B, signs were temporarily placed on the lines to these countries to hasten the import of urgent war materials.
 - p. Monsuros for obtaining ship's fuel.
 - (a) There was prospect of securing coal for ships.
- (b) Noter ships and crude oil burning steamships were transferred as soon as possible to the American line so as to take in crude oil from the United States of America.
- (c) We requested that motor ships and crude oil burning steamships be used for military requisitioned ships.
- 3. Counter mersures for the sudden increase of communications and for the shortage of employees.
- (a) Although no authoritative measures were adopted for mails and telephones, a restriction of tolegrams was enforced by ministe ial ordinance.
- (b) As to the shortage of employees, it was decided to secure technicians chiefly by intensifying the training of newly employed workers, and at the same time by teaching telegraphy. to all employees,
- 4. Communication control, with special consideration to he close limits on with overser areas, M and C_1 .
- (a) As to mails Emergency Importal Ordinance for the control of mails was enacted (promulgated on Sept. 20) whereunder letters may be opened and inspected and, when occasion demands confiscated.
- (b) As to telegraph and telephone services, a thorough control was effected by reinforcing the personnel.

p. 150-151 Fourth Period

Relations between X and A became more and more strained, and there were also indications of a movement in the international situation surrounding N. The requisitioning of ships was continued as the result of the revision of the commodity mobilization plan, civil aviation fall into extreme difficulties. The measures taken during this period were as follows:-

1. Marsures for civil aviation.

DOC. NO. 2228

- (a) All regular air lines, excenting those engaged in communication with the continent, and the Southern Air lines were suspended.
- (b) Training of aviators was to be continued according to schedule at all costs, even in the face of a great decrease in the supply of grading.
 - 2. Countar ressures for the new demand for telephones.

Although there were numerous anolications from munitiess and general mobilization quarters only those deemed most preent were installed for the time being leaving the fundamental solution of the problem to a later date.

3. Menoures cone rning the enforcement of mail control.

In close collaboration with the police and the gendarmes, consors were placed in the principal offices to take charge of consorship. Some rails which could be easily used for espionage purposes were either prohibited or restricted.

4. Intensification of marine transportation control and emphasis on transportation of important materials.

In order to tighten up the control of marine transportation a Shipping Board was established to requisition all ships, which were then allowed as a rule, to be operated by their owners or proxy in accordance with the policy of emphasizing the transportation of important materials. (Decided by the Cabinet meeting).

5. Relationship between the securing of important foreign materials and the prevention of internment and capture of shins.

In collaboration with the Navy and the Foreign Ministry, we made proparations to come with any sudden development in the situations, and continued the assignment of ships in the full expectation of undergoing some sacrifices.

p.151-152 Fifth Period.

"ith the entrance of X and A into a state of hostilities against each other, the detainment of N's ships by A, etc. and E's refusal to continue the necotiations with N, the situation becomes somewhat acute. The Supreme Corrend Headquarters of N requested that the supply of materials from E be secured. The Cabinet meeting of October 15 decided upon advancing into E by force. Although the use of communications declined somewhat, the transmission of secret information via A was very active.

DOC. NO. 2228

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DOC NO. 2228 Page 82

It was now impossible to assign ships to the A, B, E and L areas and num rous ships had ben requisitioned. The measures taken in this priod were as follows:

- 1. Measures to be taken beforehand against air raids on
- (a) Transfer of the important lines to sef r places, and the carouflage of important stations.
- (b) Preparations for men and materials for reconstruction and selection of stations to replace the ones damaged.
- (c) Construction of termorary lines and preparations for wireless communications.
- (d) Suspension of telephone and radio broadcasting services
 - 2. Measur's for the control of communications with A.
 - (a) Detection of illicit facilities in the country.
 - (b) Replemishment of telegraphic officials.
- (c) Tightening up of control over telegrams and telephone calls to A, especially the use of secret languages.
- (d) In collaboration with the police, tightening up of control over individuals (those listed). If war should start, foreigners and foreign correspondence when to be further restricted.
- esnecially those from SHANGHAI.
- 3. Re-examination of the schedule for occans going ships and the utilization of repatriation ships.
- (a) Ships now in A, E, E and L were ordered to enter neutral waters as soon as nossible and proceed homeward. The placing of ships thereafter was suspended.
- T, North and Central C, KYUSYU and MOKKAIDO.
- 4. No reprisels against the ships of A and B in N and C borts were to be made(until after our advance into E).

DOC NO. 2228 Page 82

It was now impossible to assign ships to the A, B, E and L areas and num rous ships had ben requisitioned. The measures taken in this priod were as follows:

- 1. Measures to be taken beforehent against air raids on
- (a) Transfer of the important lines to sefer places, and the carouflage of important stations.
- (b) Premarations for men and materials for reconstruction and selection of stations to replace the ones damaged.
- (c) Construction of termorary lines and preparations for wireless communications.
- (d) Suspension of telephone and radio broadcasting services during air raids.
 - 2. Measur's for the control of communications with A.
 - (a) Detection of illicit facilities in the country.
 - (b) Replemishment of telegraphic officials.
- (c) Tightening up of control over telegrams and telephone calls to A, especially the use of secret languages.
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- T, North and Central C, KYUSYN and MOKKAIDO.
- 4. No reprisels against the ships of A and B in N and C ports were to be made (until after our advance into E).

DOC NO. 2228 Page 82

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- 1. Measures to be taken beforehand against air raids on
- (a) Transfer of the immortant lines to safer places, and the camouflage of important stations.
- (b) Premarations for men and materials for reconstruction and selection of stations to replace the ones damaged.
- (c) Construction of temporary lines and preparations for wireless communications.
- (d) Suspension of telephone and radio broadcasting services
 - 2. Measur's for the control of communications with A.
 - (a) Detection of illicit facilities in the country.
 - (b) Replemishment of telegraphic officials.
- (c) Tightening up of control over telegrams and telephone calls to A, especially the use of secret languages.
- (d) In collaboration with the police, tightening up of control over individuals (those listed). If war should start, foreigners and foreign correspondence when to be further restricted.
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- and the utilization of repatriation ships.
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- T, North and Central C, KYPSYU and HOKKAIDO.
- 4. No reprisels against the ships of A and B in N and C were to be made(until after our advance into E).

DOC. NO. 2228

p.153-154 Sixth Period

The situation grew further acute, and advancing the date of carrying out the Cabinet's pravious decision concerning our operations against E, we finally resorted to the use of force on November 15. A' and B also severed their economic relations with N. Marine transportation was greatly impeded owing to the further requisitioning of ships. Communications also was confronted with shortage of men and materials due to the advance into F. The following measures were adopted under the circumstances.

- 1. Measures to maintain internal communication service following the advance into E, etc.
- (a) Restriction of telegraph service, and the reduction in the number of times of collecting and delivering mails.
- (b) Training of employees and the concentration of technicians on telegraphy.
 - (c) Closure of unimportant telegraph offices.
- 2. Measures to avoid the rigid use of military requisitioned ships.

Owing to the drop of efficiency and the increase in requisitioned ships due to the military operations in the Southern Region, transportation capacity decreased to 4,800,000 tons per month, thus causing a considerable accumulation of stocks. Accordingly, after consultation with the War and the Navy Ministries we decided to transport 5,000,000 tons during the year by utilizing the return voyages of military requisitioned ships. Furthermore, the distribution of crude oil was to be increased to promote the use of motor and sail driven boats, whereby 7,000,000 tons was to be transported during the year.

3. Measures for fostering ship-building.

All efforts were to be made to secure materials, labor and funds, and at the same time by fixing a simple standard type of shipping with the object of shortening the number of construction days, with secondary importance attached to their quality.

4. Since the special session of the Diet was opened on Nov. 20, we drafted into concrete form the outline of state management of shipping which we had adopted previously. We submitted to the Diet a Management Bill and a special account

DOC. NO. 2228

bill necessary for carrying it out, and both of these bills were passed. (Danger allowances for seamen, and the necessary expenditure for shipping insurance were included in the budget for this special account.)

pp. 154-156 Seventh Period

Although the advance into E was progressing satisfactorily. A's pressure on N increased, and N finally decided to start war against A. On Dec. 20, N made a sudden attack and landed on A's territory. The shortage of marine transportation capacity affected all quarters. Not only was the southern line almost suspended by the operations in the Southern Region, but the ships sunk reached a considerable number. A re-examination of foreign communications was necessitated in view of our relations with A and B. There were many other matters which called for counter-measures, such as the scarcity of electricity, and air raids against FORMOSA and TYUSEU.

(1) Measures for balancing the demand and supply of electricity.

Besides stream-lining the transportation of coal and providing relief from other sources, we effected under the Electricty Adjustment Ordinance, a 15% restriction in general, except for military use or for use by the most urgent enterprises in the current situation.

 Method of utilizing equipment which has become idle owing to the suspension of communications and the countries with which our communications should be strengthened.

The communications with X, F, T, Switzerland and Brazil were strengthened for collecting informations or for propaganda by using the equipment previously used for communication with A and B, which have become idle owing to the international situation.

3. Materialization of the broadcasts to E.

As to short-wave broadcasts, those to the Southern Region chiefly from TOKYO and PALAU were strengthened. As to medium-wave broadcasts, small broadcasting instruments and necessary personnel were despatched to cooperate in propaganda.

4. Measures for the protection of ships and crew sailing in dangerous waters.

Page 85

- (a) A convoy system was adopted in the South China Sea.
- (b) A wartime shipping insurance system was established.
- (c) Complete sets of life saving equipment and danger allowances were provided for the crew.
- 5. With respect to the damage caused by the air-raid against northern Ryushu in the latter part of December, we strove to restore important facilities first according to established plan.
- 6. Transportation capacity during this period was 3,300,000 tons per month, which was very inadequate. Ships withdrawn from the Southern Region owing to the cessation of transportation there were assigned to transportation to North China and coastal regions.

pp. 156-158 Eighth Period

In the middle part of January, the capture of Q and S was begun and Tokyo was raided. There was considerable damage done to telegraph and telephone service stations and power transmission lines. Transportation with the Southern Region continued to be disrupted, and the number of ships lost was considerable. However, with the progress of military operations, some ships were released from requisition in February, and transportation routes in the Scuthern Region were gradually revived.

- 1. Counter-measures for the air-raid on the Metropolis (Communications).
- (a) The Central Telegraph Office and the Central Telephone Office were not transferred to other places, but reconstructed with aid from other sources.
- (b) With respect to the destruction of the out-of-city lines via Tokaido, the principal lines were maintained by connections with the norther line.
 - (c) Telegrams were places under necessary restrictions.
- 2. Measures to cope with the damage done to power transmission lines.
- (a) Electricity supply was restored according to the damaged condition of each factory and the degree of importance of the industry.

Page 86

- (b) Electric lighting in general was restored as soon as possible.
- 3. Bills submitted to and adopted by the regular session of the Diet.
 - (a) Postal Law Revision Bill.

The handling of cortain kinds of postal matters may be refused, if occasion demands during wartime.

(b) Telegraph Law Revision Bill.

Telephone subscribers may be forced to give up the service, if occasion demands during wartime.

4. Marine transportation capacity.

Although we were confronted with difficulties owing to the scarcity of ships and the disruption of transportation with the Southern Region, we were able to recover transportation capacity of 4,000,000 tons to 4,500,000 tons per month through the release of ships from requisition. However, transportation from F and T was but only half the amount.

pp. 158-159 Winth Poriod

Operations in E, P, and Q area were almost completed and there followed the clash of the main fleets of N and A. Although the southern sea-route was reviving, our loss of ships gradually increased owing to the activities of A's submarines and aeroplanes operating from their bases in R. On the other hand some ships requisitioned by the navy were released. With the activities of the submarines, there was a shortage in the number of applicants for seamen. The difficulties in communication and transportation also increased. As there were many people listening to foreign short-wave broadcast through "all-wave receivers", we adopted the following measures.

- 1. Measures to smooth out communication difficulties.
- (a) Restriction of third and fourth class mails, parcel-posts and telegrans.
- (b) Forced withdrawal of telephones and the restriction of the frequency of telephone calls.

DOG. NO. 2228

Page 87

- (c) Intensification of the training of telegraphic technicians and the expansion of the field for inexperienced operators by simplifying operations.
- 2. Measures against the listening in to foreign short-wave broadcasts by our nationals and aliens.
- (a) Strict supervision of the unlawful possession of "all-wave receivers."
- (b) Control by the Home Ministry and Foreign Ministry of propaganda by listeners to foreign short-wave broadcasts.
 - 3. Transportation plan for materials from E, P. and Q.

In consultation with the Army and Navy, we decided to transport materials to Japan Proper by means of requisitioned ships, and at the same time have non-requisitioned ships cooperate in military transportation in their outward voyages.

- 4. Measures to cope with the decrease of applicants for jobs as seamen and the increase in the number of seamen leaving their ships.
 - (a) Inculcation of maritime spirit.
 - (b) Requisitioning.
- (c) Make those wishing to leave their ships change their mind.
 - (d) No increase in danger allowances was to be made.

Page 88

(Confidential Document)

General Outline of the Progress of the Manocurres of the Blue Country

(The Jurisdiction of the Justice Ministry)

Kentaro MIBUCHI, Minister of Justice.

p. 160 4th Pariod of Manceuvres (September, 1941).

1. Report was received regarding the leakage of N-A negotiations that on Sept. 25, 1941, the chief public procurator of the Tokyo district criminal court lodged a suit against a certain person who had attended the conference. (ef. the Justice Minister's instruction "Confidential, No. 899, 1941").

pp. 160-162 2. 6th P riod of Manoeuvres (Nov., 1941).

In view of the frequent violations of economic control, the following measures could be considered by the justice authorities as long as it remained difficult to supplement personnel: (1) revision of the substantive law, (2) revision of the adjective law, (3) a more rational management of existing systems.

- 1. As to the revision of the substantive law, we submitted to the extraordinary session of the Diet, a "bill for the maintenance of national life", which was approved. This law pertains to the establishment of constituent elements for crimes of conventional offenses to promote speed and simplification in their investigations and thorough control of such crimes by suppressing the main organs, in order to work to secure important materials, particularly necessities of life, and for their equal distribution.
- 2. As to the revision of the adjective law, we submitted "a bill for the special criminal procedures under wartime emergency," to the same session of the Diet which was also approved. This law provides for a two trial system, generally in conformity with the procedure regulations of the national defense peace preservance law, and acknowledges the procurator's power for compulsory detentions prior to indictment.
- 3. The management of the system was entrusted to the authority of the chief public procurator of each court of appeal. He was to undertake such matters as commanding the management of business of districts where the procurator was overworked, inducing judges to become procurators, and appointing more than half of those taking examinations for the bar as procurators.

DCC. NO. 2228

Page 89

III. 7th Period of Manoeuvres (Dec., 1941.)

Bills presented to and adopted by the ordinary session of the Diet were as follows:

- 1. "Law for the punishment of special vertime crimes". This law prescribes strict punishment for crimes committed during wartine such as (1) theft in residences vacated in flight, (2) various kinds of crimes, violence and regular theft prescribed in the criminal law, and cormitted during defense activities by Army or Pary or during black-outs, (3) damaging of necessary facilities and others established for air-defense.
- 2. "Code for special civil case procedures under wartine energency conditions."

Procedures for civil trials under wartime emergency conditions will comply with this code, as a rule, and will simplify trials in conformity with the code of procedure for non-litigious cases and at the same time grant the Court the rights of discretional trial by compulsory arbitration as in article 7 of the code of arbitration for monetary debts. Furthermore, as measures against decreasing of personnel, the jurisdictional rights of the district courts shall be extended, and appeals to higher courts restricted; and as measures for air-raids and transportation restrictions, offices may be opened at any time and in any place by order of the Minister of Justice, and documents may be dispatched in a special simplified method.

3. Revisions in the code of special criminal procedure under wartine emergency conditions.

As measures against decreasing of personnel, and air-raid and transportation restrictions, the same revisions were made as in civil procedures.

pp. 163-164 IV. 8th Period of Manoeuvres (Jan. to Mar., 1942

as the Shitaya temporary branch office of the Tokyo district criminal court was destroyed in a fire caused by an air-raid in January of 1942; and some of the register books were also destroyed:

(1) It was decided by order of the Ministry of Justice that the business of the above branch office should be managed at the main office. (cf. Article 17, II; Code of Court Constitution.)

DOC. NO. 2228

- (2) Registration business at the above branch office temporarily suspended by notification of the Ministry of Justice. (cf. Article 10, Code for registration of immovable properties.)
- (3) Application for restoration registration on designated terms was permitted by the above notification. (cf. Article 23, Code for registration of immovable properties.)

DOC. NO. 2228

n. 165

To: ---- The Government of Blue Country

From: ---- Tita Minister of Education

Measures whented by the Education Ministry in the 1st Theoretical Total War Manoeuvres.

p. 165 Por cl 3 (middle and latter part of Aug., 1941).

collaboration with the Imperial Rule Assistance Association. In particular nation-wide organizations like schools, cultural organizations, etc., were utilized to emphasize the need of parting the national spirit on a basis of preparation for war, to preparate the spirit of public service, to eccurage savings; to drive home the significance of travel restrictions; to start a novement for a new vartime node of living, and to get students to give their services for labour. (Details were as contained in the reports of the Imperial, Rule assistance Association.)

- pp. 165-166 4th Period (middle and latter part of Set., 1941)
- (:) Intensification of the activities of the Students' Patriotic Organization.
- As a reasure against labour shortage, the activities of the recently organized Students' Patriotic Organization were intensified to contribute to the increased production of food and the expansion of production.
- (2) Establishment of ideological ruidance system as a measure for strengthening spiritual mebilization. An organization for positive guidance of national ideology was set up to establish and strengthen the ideological national defense system.
 - 3. Measures for raising the morale of Educators.
- (E.) Educational organizations throughout the country were united, and with permission, we were granted a member of the Imperial Family as president, thereby doing our best to raise the morale of educators.
- (b) A voluntary educational assistance movement was developed by educators under consciousness of being fighters on the fronts of the nation's ideological defense.

Page 92

pp. 166-168 5th Period (middle and latter part of Oct., 1941).

1. Measures adopted to arouse the national morale.

Besides intensifying the various plans which we had been following, the people were kept informed, as long as there was no inconvenience, of the present situation of Blue Country at home and abroad, and of its future course, to stimulate self-inspiration and encouragement.

2. Measures for raising the national spirit.

As the state of things had come to manifest still further the acuteness of the situation, the pressing need of the moment was to raise the spirit of the general public, so a basic plan for it was established and carried out immediately.

- (a) The definite object of spiritual mobilization was to be the manifestation of the total power of a united nation.
- (b) The Ministers and the leaders were to take the lead and set an example, and importance was to be laid on the moral side of administration.
- (c) The establishment of Japanese education and reconstruction of the national life in line with Japanese ways.
- (d) The establishment of a strong and sturdy wartime national life both in its spiritual and material aspects.
- 3. Counter-measures for internal strife between the different Buddhist sects and for the guidance of the people's spiritual life.
- (a) The roots of internal troubles were to be externinated by re-examination of doctrines, tightening of supervision, and short courses of education in Japanese Buddhism, etc.
- (b) By studying Japanese religion through the establishment of the Religious Investigation Committee and reorganization of the National Spirit and Culture Research Institute, the months were to be guided so as to prevent disturbance of their spiritual life.

DOC. NO. 2228

- p. 168 6th Period (Niddle and latter part of Nov., 1941).
 - 1. Measures to cope "ith the shortage of technicians.
- (a) As an emergency measure the graduation period for students who are scheduled to be graduated in March, 1942, from technical and agricultural schools lower than colleges, was to be advanced to December.
- (b) Plans for the future, apart from existing plans, included the expansion and continuation of the 2nd regular course and the special course in technical schools, establishment of more regular and 2nd regular courses, in agricultural schools, establishment of more higher technical and agricultural schools, and increase of enrollment in science courses in the higher schools.
- pp. 168-169 7th Period (Middle and latter part of Dec., 1941
- 1. Measures to come with the shortage of elementary school teachers.
- (a) As an emergency measure, students scheduled to be graduated from normal schools next March were to be graduated in advance in December; retired teachers were to be re-employed; and three months or six months short course training for assistant teachers was to be offered.
- (b) As permanent measures; -- Increase of classes in normal schools; expansion of the provisions for teachers' welfare, prevention of the change of occupations by raising the spirit of national service through education, study and preparation for requisitioning girls graduating from girls' high schools as elementary school teachers.
 - 2. Air defense measures in schools, etc.

Directions on air-defense measures were given to the Ministry of Education and all sections under its direct jurisdiction, public and private schools, social educational institutions, temples, national treasures, attached hospitals, etc., respectively to take appropriate air defense measures. The Wartime Measures Guidance Section was established in the Education Ministry to take charge of this guidance.

pp. 169-170 8th Period (Jan.-Mar., 1942).

1. Presentation of a bill for the incorporation of schools.

DOC. NO. 2228

In order to completely organize the educational system for total war, a fundamental renovation of private schools was felt to be necessary. As a peans to this end we hoped to effect thorough supervision and guidance from the financial side.

2. Measures against air-raids on Tokyo.

According to established plans, the Governor of Tokyo Prefecture was empowered to act on the order of the Martial Law Headquarters, while this Ministry assumed the leader-ship in command.

- (a) Elementary school buildings in the vicinity of the damaged districts were utilized to shelter the victims.
- (b) Refugee students and school children were put into schools in the country or in other schools in Tokyo.
- (c) Students' Patriotic Organizations were made to clear the districts destroyed by fire.
- (d) Schools in the entire city were closed for about ten days.
- pp. 170-171 9th Period (Apr. -- Aug., 1942).
- 1. Results of the investigations concerning the abelition of the postponement of conscripting students.

In anticipation of the day when this problem will have to be considered with the development of the situation, an investigation was made from the standpoint of education, the result of which were as follows:

- (a) In view of the fact that the enforcement of this matter would bring about much confusion and waste in education, it should be carried out only when absolutely essential for the reinforcement of military forces.
 - (b) Actual measures to be taken upon its enforcement.
 - 1. Method for execution of examinations.
 - 2. Scope of its application.
 - 3. Special technicians.
 - 4. Treatment of the returned soldier.
 - 5. Measures for dealing with faculty members.

DOC. NO. 2228

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DOC, NO, 2228

Page 95

2. Supplements to the measures to cope with the shortage of elementary school teachers.

Then the next 700,000 men are mobilized for the armed forces, the number of school teachers to be conscripted is estimated to reach 5,250. Therefore, suitable persons from among the graduates of high schools, (mostly females) shall be registered according to the revised National Working Capacity Report Ordinance, and conscripted to serve as assistant teachers.

Page 96

(Confidential Document)
August 1941

p. 172

Theoretical War Maneuver for Total War No. 1, for 1941 Records of Progress of Blue Country's Naval Maneuvers. Navy Minister: Lieutenant-Commander Tadashi SHIMURA.

- p.173 Third Pariod of Maneuvers (6 to 31 Aug., Period of strained international relations)
 - 1. Naval armaments and war preparations were completed according to pre-arranged schedule.
 - 2. By 31 August 3,000 men with the rank of warrant officer or above and 50,000 petty officers and men were called cut and 100,000 tons of shipping were requisitioned.
 - 3. A request was made in the Cabinet Conference on August 6, for the acquisition from A, B, E., etc., of materials of which we are short, as far as conditions allow.
 - pp. 173-174 4th Period of Maneuvers 1 to 30 Sept. (period of strained international relations).
 - 1. Completion of armaments and war preparations were continued.
 - 2. The following notification was given to the Ministry of Communications regarding measures for ships sent over-
 - (a) Ships proceeding to the west coasts of south and north A should continually maintain communications from anywhere east of 180° east longitude. If there is any sudden change in the situation, ships should try their best to escape and take the South Pacific route, making clear the ships /position/ all the time; but if captured by warships of A, B and E, measures should be taken to scuttle the ship.
 - (b) Ships bound for E, F and T of the Southern Region should take refuge in South Sea Islands, or the ports of F on South C which are occupied by us. Otherwise, same as above.

DOG. NO. 2228

- pp. 174-175 Fifth Period. Managuvres. (1 to 31 Oct. Period when war became inevitable.)
- 1. Completion of armaments and war preparations were continued.
- 2. Since A interned N's ships anchored in A's harbours with, B, E and L's successive cooperation, we stopped sending ships abroad any more, and at the same time notified the Communications Ministry of the execution of the proposal made in the Fourth Period.
- 3. In accordance with the Cabinet's decision to advance into E, we called out on 15 October 3,000 men with the rank of warrant officer or above and 50,000 non-commissioned officers and men, and requisitioned 500,000 tons of shipping.
- p. 175 Sixth Period Manoeuvres. (Nov. 1 to 30. Period of advance into E)
- 1. Completion of armaments and war preparations were continued.
- 2. In the Cabinet Conference held in the middle part of November the following requests were made as the views of the Supreme Cormand:
- (a) Under the present conditions, war with A and B was not considered entirely unavoidable.
- (b) Every effort should be made to realize the matters which were decided by the Cabinet Council on 15 October, and also those which received Imperial Sanction on 5 November
- 3. On 15 November 100,000 tons of ships and 200,000 tons of oil tankers were requisitioned in preparation for the war against A.
- p. 185 Seventh Period Manoeuvres: (12 to 31 December, period when war against A and B was started).
- 1. Repletion of armaments and war preparations were continued.
- 2. On 15 December 100,000 tens of ships and 100,000 tens of oil tankers were requisitioned for use in the operations against A.
- 3. On 20 December two platoons of troops were sent out from the Yokosuka naval barracks for air defence duties. (They lived at the Navy Ministry, in schools, etc.)

DOC. NO. 2228

- pp. 176-177 Eighth Period Manoeuvres (1 Jan. to 31 March, 1942. Period of war against A, B and E.)
- 1. Repletion of armaments and war preparations were continued and damaged wareraft and vessels were repaired.
- 2. During the air-raid on the netropolis on January 25, by A's carrier-borne planes, bombs were dropped on the Navy Ministry, causing destruction of a part of the buildings. The situation was properly handled by the detailed troops.
- 3. On 1 February various neutral countries were notified of the establishment of danger zones by Blue Country. However, D's ships would be given escort through these zones if notification was received beforehand.
- 4. After discussions, we notified the Supreme Command of our decision as to the waters in which the enemy's commercial traffic should be destroyed.
- p. 177 Ninth Period. Manoeuvres. (1 April to 31 August -- Period of war against A, B, and E.)
- 1. Completion of armaments and war preparations were continued and damaged ships repaired.
- 2. On 1 May we prohibited the passage of D's ships through the waters of Blue Country's danger zones.
- 3. On 15 July, 250,000 tons of ships and 50,000 tons of cil tankers were released from requisition.

DOC. NO. 2228

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(Confidential Document)

Measures taken by the Superintendent-General of the Metropolitan Police Board during the Theoretical Manceuvres for Total War No. 1.

Superintendent-General of the Metropolitan Police Board

FUKUDA Hageshi.

178 Fourth Period (10 September 1941)

On inquiring of the Foreign Minister on the leakage of the negotiations between N and A a reply was received to the effect that the contents of the negotiations were to be kept a national secret. Therefore, the offender was immediately arrested under Article 6 of the National Defence and Peace Preservation Law.

Furthermore, in view of this incident, we submitted to the President of the Information Board and to the Cabinet our opinion that further care should be exercised in future in keeping national secrets.

pp. 178-180 Eighth Period (26 Jan. 1942).

The following measures were taken when A planes raided the Metropolis early on the morning of 25 Jan. 1942.

- No. I. Previous measures.
- l. Established the air-defense headquarters of Tokyo prefecture in the Metropolitan Police Board.
- 2. Concentrated guards at important points and maintained mobility of patrol.
- 3. Placed in the central areas motor pumps sent as reinforcement from outside districts.
 - 4. Set up patrolling areas.
- 5. Detailed guards to take post upon the issuance of an air-raid alert signal.
 - No. II Subsequent measures.
 - 1. Fire-fighting.

Page 100

By mobilizing every organ for fire-fighting under our jurisdiction, we were able to limit the area destroyed by fire to 3,450,000 square metres, involving 32,000 houses destroyed, and 137,000 victims.

2. Emergency refuge.

Victims were taken to and sheltered at Hibiya, Shiba, Korakuen and Ueno Parks.

- 3. Treatment of the victims.
- (a) Of the 137,000 victims, 70,000 were cared for at relatives or friends' hones in Tokyo city, while the remainder were accommodated in elementary school buildings within the city.
- (b) Those who had no relatives in Tokyo city were sooner or later sent to the country districts.
- (c) Appropriate measures were taken to publicize the safety of the victims.
 - 4. Patrol.
- (a) Set up interception lines and established inspection posts.
 - (b) Enforced various traffic restrictions.
 - (c) Controlled rumors and intelligence.
 - 5. Restoration operations.
- (a) Cleared up areas destroyed by fire, disposed. of unexploded shells and repaired damaged places.
- by fire. No rebuilding was done in the areas destroyed
 - 6. Relief work.
- (a) Accommodated the sick and the wounded at medical relief stations and hospitals.
 - (b) Prevented the spread of bad influenza.
 - 7. Distribution of food and charcoal.

Special distribution of food and charcoal was made to the victims with the assistance of the Agriculture and

DOC. NO. 2228

By mobilizing every organ for fire-fighting under our jurisdiction, we were able to limit the area destroyed by fire to 3,450,000 square metres, involving 32,000 houses destroyed, and 137,000 victims.

2. Emergency refuge.

Victims were taken to and sheltered at Hibiya, Shiba, Korakuen and Ueno Parks.

- 3. Treatment of the victims.
- (a) Of the 137,000 victims, 70,000 were cared for at relatives or friends' homes in Tokyo city, while the remainder were accommodated in elementary school buildings within the city.
- (b) Those who had no relatives in Tokyo city were sooner or later sent to the country districts.
- (c) Appropriate measures were taken to publicize the safety of the victims.
 - 4. Patrol.
- (a) Set up interception lines and established inspection posts.
 - (b) Enforced various traffic restrictions.
 - (c) Controlled rumors and intelligence.
 - 5. Resteration operations.
- (a) Cleared up areas destroyed by fire, disposed. of unexploded shells and repaired damaged places.
- (b) No rebuilding was done in the areas destroyed by fire.
 - 6. Relief work.
- (a) Accommodated the sick and the wounded at medical relief stations and hospitals.
 - (b) Prevented the spread of bad influenza.
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Page 101

p. 181 Outline of the Progress of the Theoretical Manoeuvres for Total War No. I.

Welfare Minister

pp. 182-184 2nd Period.

In accordance with the labour mobilization policy the following plans were adopted and put into effect.

No. I. Adjustment of the demand and supply of ordinary workers and technicians.

- 1. Distribution /of workers/ with emphasis on the importance of munitions /production/.
- 2. Setting up of "everybody working" system (organization of Labour Service Units based on the operation of the General Mobilization Law).
- 3. Control of the employment of the new graduates of elementary schools and middle schools.
 - 4. Expansion of national registration system.
- 5. Restriction on the employment of new workers in not-urgent fields.
- 6. Measures for the change of occupations by persons engaged in small and middle scale industries. (establishment of a plan for the redistribution of labour)
 - 7. Measures for farm labour.
 - 8. Plan for the large-scale immigration of Koreans.
- 9. Strengthening of the structure for requisitioning people.
- 10. Housing measures in connection with the redistribution of labour.
- 11. Plan for the distribution of the graduates of technical schools.
- 12. Improvement and expansion of institutions for the training of technicians.
- 13. Expansion of the system for training skilled workers.

DOC. NO. 2228

14. Plan for the redistribution of technicians and skilled workers.

No. II. Measures for securing, replenishing and promoting the efficiency of labour.

- 1. Intensification of the industrial service movement.
- 2. Rectification of the employment of workers, wages, working hours, and other terms of employment.
- 3. Renovation of the organization of the workshop and other measures for promoting efficiency.
 - 4. Restriction of the retirement of employees.
 - 5. Setting up of a commendation system for workers.
- 6. Measures for the physical improvement, instruction, and training of workers.
- 7. Ensuring the distribution of necessities of life and working implements for the workers.
- p. 184 3rd Period. (Early and middle parts of August)

In order to cope with the shortage of 300,000 labourers consequent upon the mobilizations since the early part of July, we adopted the following measures:

Of the 300,000 men needed, 100,000 were obtained by ordinary advertisement, 100,000 by conscripting youth from among those registered under the National Occupational capacity Report Ordinance, and the remaining 100,000 (of which 30,000 were experienced workers having one or more years' experience in the same occupation) from among the skilled workers registered under the National Occupations Report Ordinance.

pp. 184-187 4th Period. (First and middle parts of Sept.)

No. I. In order to cope with the growing seriousness of the problem of unemployment of persons engaged in the middle and small-scale business as the result of the revisior of the commodity mobilization plan, the following measures were decided upon in the Cabinet Council.

Measures for the change of occupation or unemployment of persons engated in middle or small-scale trade and industries.

Page 103

- 1. Persons engated in middle or small-scale trade and industries who have to change their occupations or go out of work should be assigned to urgent work as much as possible from the view point of the reorganization of labour. Accordingly, the following measures should be taken:
- (1) To ruide those who have to change their occupations in such a way as not to make them feel that they are stragglers of society, but to instil in them the resolution to work willingly in any line of work, considering it an honour to be assigned and nobilized in works urgently demanded under the present situation in accordance with the requirements of the national policy.
 - (2) To expand the National Labour Training Institute.
- (3) To fester the activities of the Mational Occupational Guidance Institute and to place into employment on a preferential basis those forced to change their occupations.
- (4) To instruct employers to moderate their terms for hiring workers and for preference select those who have changed their occupations or are out of work.
- (5) To grant family allowances for a certain period of time until work is found for those unemployed who immediately fall into difficulties in making a living.
- (6) To provide measures for supplying funds to those forced to change their occupations, who are in need of noney for preparation.
- (7) To urge the persons involved to take mutual aid measures on their own initiative.
- (8) To assist and urge those middle and small-class tradesmen and manufacturers who are carrying on a half closed business to take on another occupation.
- 2. To have prefectural, city, town and village offices and social work organizations establish or expand industrial training or institutes and side-work associations and provide them with some way of making a living.
- No. II. With respect to the great shortage of workers especially transportation, commercial, and domestic workers nothing was done to supply new workers for commercial and household work, since labour supply was scarce, but with respect to the shortage of transportation workers,

DOC. NO. 2228

No. III. The following measures were taken to modulate the labour shortage in the farming districts, especially during the autumn harvest season, as a result of the natural drift of farm workers into factories and other fields:

- (1) To pursuado factories, shops and working places to let the workers go back to the farms during the harvest season.
- (2) To promote the activities of the labour service units based on the Matlanal Mobilization Law, and make people living in the cities near farning districts who are not working in argent business participate in food production.
- (3) To tighten up the restriction on fresh employment in non-urgent branches of industry.

pp. 188-189 5th Poriod. (First and middle parts of October).

No. I As production in the industry related to foreign trade was soverely affected and many large factories and shops were closed down, the Welfare Ministry decided to encourage the National Occupational Guidance Institutes and to take necessary measures in order to divert from the standpoint of labour reorganization those workers who had to be discharged from the industries related to foreign trade into those branches of industry which are important from the standpoint of national policy.

No. II. In order to cope with the growing difficulty in bring in Korean Labourers owing to the scarcity of food, etc., the following measures were decided by the Cabinet Council.

- (1) In order to strengthen the structure for labour mobilization for supplying the labour requirements of Japan proper with the labour resources, the hiring of general labourers shall be controlled, the active use of labour service units fostered, the national labour guidance institutes expanded and other measures adopted.
- (2) In order to fester the immigration of Korean labourers the extra distribution of cereals to Korean labourers shall be considered and the capacity of transporting Korean labourers shall be increased.
- No. III. Regarding the scarcity of agricultural labourers, the measures adopted in the previous period shall be further strengthened.

DOC. NO. 2228

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- (3) To tighten up the restriction on fresh employment in non-urgent branches of industry.
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- (2) In order to foster the immigration of Korean labourers the extra distribution of cereals to Korean labourers shall be considered and the capacity of transporting Korean labourers shall be increased.
- No. III. Regarding the scarcity of agricultural labourers, the measures adopted in the previous period shall be further strengthened.

No. IV. In response to the demand of Blue Country's Supreme Command Headquarters to the government that the concentration of the nation's total strength be further intensified, the regulations for the assignment of labour in the urgently necessary branches of industry and other natters pertaining to labour were decided in the Cabinet Council, thereby intensifying the labour mobilization structure.

pp. 189-190 6th Period. (Early and middle parts of November.)

It was decided to adopt the following measures in order to cope with the complications of internal labour, especially the scarcity of technicians in every industry.

- 1. Re-examination of the plan for labour distribution in urgently necessary industries.
- 2. Thorough enforcement of the measures for the prevention of the movement of workers.
 - 3. Thorough enforcement of wage regulations.
- 4. Tightening up of the regulations for hiring workers.
- 5. Redistribution of technicians by compulsory technical training institutions.
- p.190 7th Period. (Early part of December)

In order to cope with the shortage of labour, it was decided to reinforce the previous measures and at the same time to strengthen especially the measures for the mobilization of students through labour service units, and the complete mobilization of women workers.

pp. 190-191 8th Period (January, 1942)

In cooperation with the Home Ministry the Welfare Ministry took necessary measures for the relief of the sick and wounded on the occasion of the air-raid against the Metropolis of N by A's planes.

Prgc 1

Doc. No. 2228-

CERTIFICATE

W.D.C. No. 2228 4

Statement of Source and Authenticity

I, Tono Satow hereby certify that I am officially connected with the Japanese Government in the following capacity: Secretary of the Cabinet and that as such official I have custody of the document hereto attached censisting of 191 pages, dated 19, and described as follows: heroids of the Progress of Table Top Languages for Total War No. 1. I further certify that the attached record and document is an official document of the Japanese Government, and that it is part of the official archives and files of the following named ministry or department (specifying also the file number or citation, if any, or any other official designation of the regular location of the document in the archives or files): Cabinet Secretariat.

Signed at Tokyo on this
17 day of Oct., 1946.

Witness:

Secretary of Cabinet
Official Capacity

Statement of Official Procurement

I, John Curtis, hereby certify that I am associated with the General Fredquarters of the Supreme Commander for the Allied Powers, and that the above certification was obtained by me from the above signed official of the Japanese Government in the conduct of my official business.

Signed at Tokyo on this 17 dry of Oct., 1946

__/s/_J. A. Curtis. 2d Lt. NAME

Witness: /s/ Douglas L. Weldorf lst Lt., Inf. Chief, Inv. Div., IPS

- Investigator Official Capacity